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NATIONAL ASSOCIATION  
OF  
RAILWAY COMMISSIONERS  
PROCEEDINGS  
OF THE  
EIGHTEENTH ANNUAL CONVENTION  
HELD AT  
WASHINGTON, D. C.  
APRIL 2-5, 1906



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NEW YORK

# RAILWAY COMMISSIONERS.

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PROCEEDINGS <sup>c7</sup>  
OF THE  
EIGHTEENTH ANNUAL CONVENTION,  
HELD AT  
WASHINGTON, D. C., APRIL 2-5, 1906.



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## ORGANIZATION OF CONVENTION.

### OFFICERS.

W. G. SMITH, of South Dakota, *President*.  
JOSEPH P. RICE, of Missouri, *First Vice-President*.  
J. H. WHARTON, of South Carolina, *Second Vice-President*.  
EDWARD A. MOSELEY, *Secretary*.  
MARTIN S. DECKER, *Assistant Secretary*.

### COMMITTEES FOR THIS CONVENTION.

#### EXECUTIVE COMMITTEE.

ISAAC B. BROWN, of Pennsylvania, <i>Chairman</i> .	JOHN S. McMILLIN, of Washington.
JOE P. RICE, of Missouri.	W. G. SMITH (ex officio), of South Dakota.
IRA B. MILLS, of Minnesota.	E. A. MOSELEY (ex officio), of District of Columbia.
J. H. EARLE, of South Carolina.	

#### CONSTRUCTION AND OPERATING EXPENSES OF ELECTRIC RAILWAYS.

W. W. MORGARIDGE, of Pennsylvania.	A. L. JUDSON, of New York.
W. F. HAM, of District of Columbia.	ISAAC McQUILKIN, of Indiana.
HENRY M. PUTNEY, of New Hampshire.	J. C. MORRIS, of Ohio.
MARTIN S. DECKER, of the Interstate Commerce Commission.	

#### GRADE CROSSINGS.

FRANKLIN McNEILL, of North Carolina.	UNION B. HUNT, of Indiana.
MARTIN A. KNAPP, of the Interstate Commerce Commission.	FRANK WIGHTMAN, of Missouri.
JAMES S. NEVILLE, of Illinois.	JAMES F. JACKSON, of Massachusetts.
	T. W. ATWOOD, of Michigan.

#### RAILROAD TAXES AND PLANS FOR ASCERTAINING FAIR VALUATION OF RAILWAY PROPERTY.

ANDREW F. GATES, of Connecticut.	GEO. W. BISHOP, of Massachusetts.
JOSEPH W. FIFER, of the Interstate Commerce Commission.	E. L. FREEMAN, of Rhode Island.
J. H. WHARTON, of South Carolina.	HENRY C. STUART, of Virginia.
	JOHN CHRISTIANSEN, of North Dakota.

#### AMENDMENT OF ACT TO REGULATE COMMERCE.

H. WARNER HILL, of Georgia.	JOHN S. McMILLIN, of Washington.
ADAM ANDREW, of California.	ISAAC B. BROWN, of Pennsylvania.
FULLER C. SMITH, of Vermont.	A. L. FRENCH, of Illinois.
C. S. DEISEM, of North Dakota.	D. H. SMITH, of South Dakota.
D. J. PALMER, of Iowa.	

#### POWERS, DUTIES, AND WORK OF STATE RAILWAY COMMISSIONS.

H. A. FAIRCHILD, of Washington.	B. B. COMER, of Alabama.
ORRIN HENDERSON, of California.	W. M. BARROW, of Louisiana.
R. HUDSON BURR, of Florida.	PARKER SPOFFORD, of Maine.
C. C. McCHORD, of Kentucky.	

#### RAILROAD STATISTICS.

WILLIAM KILPATRICK, of Illinois.	D. N. LEWIS, of Iowa.
H. C. ADAMS, of the Interstate Commerce Commission.	C. C. HAMMOND, of North Dakota.
VIRGIL C. GRIFFIN, of Alabama.	JOSEPH B. PEAKS, of Maine.
	C. I. STURGIS, of Illinois.

UNIFORM CLASSIFICATION.

IRA B. MILLS, of Minnesota.	B. H. MEYER, of Wisconsin.
J. C. CLEMENTS, of the Interstate Commerce Commission.	JOHN A. KNOTT, of Missouri.
SAMUEL L. ROGERS, of North Carolina.	E. A. STAFNE, of North Dakota.
	S. D. McNAIR, of Mississippi.

LEGISLATION.

O. B. STEVENS, of Georgia.	FRANK BAKER, of New York.
GEO. E. BALES, of New Hampshire.	JOE P. RICE, of Missouri.
A. C. IRWIN, of California.	J. N. McKENZIE, of Tennessee.
B. L. CAUGHMAN, of South Carolina.	

SAFETY APPLIANCES.

FRANK LE COCQ, JR., of South Dakota.	HALFORD ERICKSON, of Wisconsin.
EDWARD A. MOSELEY, of the Interstate Commerce Commission.	J. W. ROBINSON, of Kansas.
WILLIAM T. YOUNG, of Minnesota.	O. B. COLQUITT, of Texas.
	LEROY GRANT, of Wyoming.

DELAYS ATTENDANT UPON ENFORCING ORDERS OF RAILROAD COMMISSIONS.

JEFFERSON B. BROWNE, of Florida.	C. L. DE FUENTES, of Louisiana.
CHARLES A. PROUTY, of the Interstate Commerce Commission.	GEORGE T. HOWARD, of Vermont.
CHARLES F. STAPLES, of Minnesota.	L. J. STOREY, of Texas.
	J. F. HAMPTON, of Arkansas.

RATES AND RATE MAKING.

BEN F. CHADBOURNE, of Maine.	N. S. KETCHUM, of Iowa.
FRANCIS M. COCKRELL, of the Interstate Commerce Commission.	THOS. YAPP, of Minnesota.
J. C. LAWRENCE, of Washington.	BEVERLY T. CRUMP, of Virginia.
	W. O. SEYMOUR, of Connecticut.

OFFICERS OF THE ASSOCIATION FOR THE ENSUING YEAR.

JOHN S. McMILLIN, of Washington, *President*.  
 C. C. McCHORD, of Kentucky, *First Vice-President*.  
 J. H. WHARTON, of South Carolina, *Second Vice-President*.  
 EDWARD A. MOSELEY, *Secretary*.  
 MARTIN S. DECKER, *Assistant Secretary*.

COMMITTEES TO REPORT TO THE NEXT CONVENTION.

EXECUTIVE.

ISAAC B. BROWN, of Pennsylvania.	JOHN S. McMILLIN (ex officio), of Washington.
BENJ. F. CHADBOURNE, of Maine.	E. A. MOSELEY, of District of Columbia.
J. H. EARLE, of South Carolina.	JOSEPH M. DICKEY, of New York.
J. H. PADDOCK, of Illinois.	

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W. W. MORGARIDGE, of Pennsylvania.	GEO. E. BALES, of New Hampshire.
W. F. HAM, of District of Columbia.	PARKER C. SPOFFORD, of Maine.
MARTIN S. DECKER, of the Interstate Commerce Commission.	A. L. JUDSON, of New York.
	W. O. SEYMORE, of Connecticut.

GRADE CROSSINGS.

HALFORD ERICKSON, of Wisconsin.	J. C. MORRIS, of Ohio.
JOE P. RICE, of Missouri.	E. L. FREEMAN, of Rhode Island.
HENRY F. BILLINGS, of Connecticut.	THOMAS L. WILLIAMS, of Tennessee.
	GEORGE W. DUNN, of New York.

RAILROAD TAXES AND PLANS FOR ASCERTAINING FAIR VALUATION OF RAILROAD PROPERTY.

ANDREW F. GATES, of Connecticut.	MARTIN A. KNAPP, of Interstate Commerce Commission.
WM. T. YOUNG, of Minnesota.	O. B. COLQUITT, of Texas.
W. L. FOSTER, of Louisiana.	N. S. KETCHUM, of Iowa.
CHARLES W. BISHOP, of Massachusetts.	

AMENDMENT OF ACT TO REGULATE COMMERCE.

FRANKLIN McNEILL, of North Carolina.	ADAM ANDREW, of California.
HENRY FAIRFAX, of Virginia.	J. H. WHARTON, of South Carolina.
C. S. DEISEM, of North Dakota.	GEORGE T. HOWARD, of Vermont.
A. L. FRENCH, of Illinois.	

POWERS, DUTIES, AND WORK OF STATE RAILWAY COMMISSIONS.

BENJAMIN F. CHADBOURNE, of Maine.	FRANK M. BAKER, of New York.
J. W. ROBINSON, of Kansas.	J. N. McKENZIE, of Tennessee.
DAVID J. PALMER, of Iowa.	T. W. ATWOOD, of Michigan.
R. HUDSON BURR, of Florida.	

RAILROAD STATISTICS.

H. C. ADAMS, of the Interstate Commerce Commission.	C. V. McADAMS, of Indiana.
B. H. MEYER, of Wisconsin.	W. M. BARROW, of Louisiana.
THOMAS YAPP, of Minnesota.	C. I. STURGIS, of the Association of American Railway Accounting Officers.
D. N. LEWIS, of Iowa.	

UNIFORM CLASSIFICATION.

JOHN BARNES, of Wisconsin.	VIRGIL C. GRIFFIN, of Alabama.
ISAAC B. BROWN, of Pennsylvania.	A. C. IRWIN, of California.
ALLISON MAYFIELD, of Texas.	J. O. CLIFFORD, of Illinois.
FRANCIS M. COCKRELL, of the Interstate Commerce Commission.	

LEGISLATION.

C. C. McCHORD, of Kentucky.	FRANKLIN McNEILL, of North Carolina.
H. A. FAIRCHILD, of Washington.	JOSEPH B. PEAKS, of Maine.
IRA B. MILLS, of Minnesota.	JAMES S. NEVILLE, of Illinois.
CHARLES A. PROUTY, of the Interstate Commerce Commission.	

SAFETY APPLIANCES.

W. G. SMITH, of South Dakota.	JOSEPH C. PHILLIPS, of Arkansas.
EDWARD A. MOSELEY, of the Interstate Commerce Commission.	JOSEPH M. BROWN, of Georgia.
S. D. McNAIR, of Mississippi.	UNION B. HUNT, of Indiana.
	WILLIAM KILPATRICK, of Illinois.

DELAYS ATTENDANT UPON ENFORCING ORDERS OF RAILROAD COMMISSIONS.

FULLER C. SMITH, of Vermont.	JOHN A. KNOTT, of Missouri.
CLINTON WHITE, of Massachusetts.	B. L. CAUGHMAN, of South Carolina.
A. D. WALKER, of Kansas.	SAMUEL L. ROGERS, of North Carolina.
FRANK LE COCQ, Jr., of South Dakota.	

RATES AND RATE MAKING.

CHARLES F. STAPLES, of Minnesota.	McD. FERGUSON, of Kentucky.
J. C. LAWRENCE, of Washington.	JAMES F. JACKSON, of Massachusetts.
ORIN S. HENDERSON, of California.	L. J. STOREY, of Texas.
W. C. TUNSTALL, of Alabama.	

DEMURRAGE AND RECIPROCAL DEMURRAGE.

H. WARNER HILL, of Georgia.	J. C. KINCANNON, of Mississippi.
C. L. DE FUENTES, of Louisiana.	E. R. McLEAN, of Texas.
BEVERLY T. CRUMP, of Virginia.	C. C. HAMMOND, of North Dakota.
E. A. DAWSON, of Iowa.	

*Time and place of holding next convention, July 29, 1907, Seattle, Washington.*

MEMBERS OF THE CONVENTION IN ATTENDANCE.

STATE RAILROAD COMMISSIONERS.

CONNECTICUT:

ANDREW F. GATES, *Chairman*.  
WM. O. SEYMOUR, *Commissioner*.  
HENRY F. BILLINGS, *Clerk*.

GEORGIA:

H. WARNER HILL, *Chairman*.  
JOS. M. BROWN, *Commissioner*.

ILLINOIS:

WM. KILPATRICK, *Secretary*.

INDIANA:

C. V. McADAMS, *Chairman*.

KANSAS:

J. W. ROBINSON, *Chairman*.

KENTUCKY:

C. C. McCHORD, *Chairman*.  
McD. FERGUSON,  
A. T. SILER,  
*Commissioners*.  
JOHN E. NEWMAN, *Clerk*.

LOUISIANA:

W. M. BARROW, *Secretary*.

MAINE:

JOS. B. PEAKS, *Chairman*.  
B. F. CHADBOURNE,  
PARKER SPOFFORD,  
*Commissioners*.

MASSACHUSETTS:

GEORGE W. BISHOP, *Commissioner*.

MICHIGAN:

THEREON W. ATWOOD, *Commissioner*.

MINNESOTA:

IRA B. MILLS, *Chairman*.  
CHAS. F. STAPLES,  
WM. E. YOUNG,  
*Commissioners*.  
THOS. YAPP, *Assistant Secretary*.

MISSOURI:

JOE. P. RICE, *Chairman*.

NEW HAMPSHIRE:

A. G. WHITTEMORE,  
G. E. BALES,  
*Commissioners*.

NEW YORK:

J. M. DICKEY, *Commissioner*.

NORTH CAROLINA:

FRANKLIN McNEILL, *Chairman*.  
SAM. L. ROGERS,  
E. C. BEDDINGFIELD,  
*Commissioners*.  
H. C. BROWN, *Clerk*.

NORTH DAKOTA:

C. S. DEISEM, *President*.  
C. C. HAMMOND, *Secretary*.

PENNSYLVANIA:

ISAAC B. BROWN, *Secretary of Internal Affairs*.  
THEO. B. KLEIN, *Superintendent, Bureau of Railways*.  
W. W. MORGARIDGE, *Assistant Superintendent, Bureau of Railways*.

SOUTH CAROLINA:

J. H. WHARTON, *Chairman*.  
B. L. CAUGHMAN,  
J. H. EARLE,  
*Commissioners*.  
D. P. DUNCAN, *Secretary*.

SOUTH DAKOTA:

W. G. SMITH, *Commissioner*.

VIRGINIA:

B. T. CRUMP, *Chairman*.  
JOS. E. WILLARD,  
H. C. STUART,  
*Commissioners*.

WASHINGTON:

JNO. S. McMILLIN,  
JNO. C. LAWRENCE,  
*Commissioners*.  
C. A. SNOWDEN, *Secretary*.

WISCONSIN:

JOHN BARNES, *Chairman*.  
B. H. MEYER, *Commissioner*.

INTERSTATE COMMERCE COMMISSION.

M. A. KNAPP, *Chairman*.  
J. C. CLEMENTS,  
C. A. PROUTY,  
F. M. COCKRELL,  
*Commissioners*.

E. A. MOSELEY, *Secretary*.  
M. S. DECKER, *Assistant Secretary*.  
H. C. ADAMS, *Statistician*.

ASSOCIATION OF AMERICAN RAILWAY ACCOUNTING OFFICERS.

J. O. CLIFFORD.

C. I. STURGIS.

STREET RAILWAY ACCOUNTING ASSOCIATION OF AMERICA.

W. F. HAM.

P. S. YOUNG.

OTHER PERSONS PRESENT.

JNO. V. SMITH, of Alabama, *Former Member*.  
J. H. PADDOCK, of Illinois, *Former Member*.  
A. L. JUDSON, *Accountant*.

JEREMIAH COLLINS, appointed by Governor of Montana.  
E. KEARNEY, appointed by Governor of Nebraska.

## PROCEEDINGS OF THE CONVENTION.

WASHINGTON, D. C., *April 2, 1906—11 o'clock a. m.*

The convention was called to order by Hon. W. G. Smith, of South Dakota, president.

The PRESIDENT. Gentlemen, I take pleasure in calling together the eighteenth annual convention of the National Association of Railway Commissioners. I would like to hear first the report of the chairman of our executive committee.

Mr. BROWN, of Pennsylvania. The executive committee suggests the following as the business for this session:

The calling of the roll.

Address of greeting by Mr. Knapp, chairman of the Interstate Commerce Commission.

The address of the president, Doctor Smith, of South Dakota, to which a reply will be made by Hon. Theodore B. Klein, of Pennsylvania.

I take it that will about cover the business of the first session of this convention.

The PRESIDENT. The secretary will now read the official call.

### CALL FOR EIGHTEENTH ANNUAL CONVENTION OF NATIONAL ASSOCIATION OF RAILWAY COMMISSIONERS.

By authority of the seventeenth annual convention of the National Association of Railway Commissioners, held August 16-19, 1905, at Deadwood and Hot Springs, S. Dak., and pursuant to vote thereof fixing the time and place for the next annual meeting, notice is hereby given that the eighteenth annual convention of the association will be held in the city of Washington, D. C., on Monday, April 2, 1906, 11 o'clock a. m.

Membership in the association is fixed and the privileges of members are determined by article 2 of the constitution, as follows:

Active membership shall embrace only the Interstate Commerce Commissioners, the railway commissioners or deputy commissioners of the several states and territories of the Union, and in those states and territories having no railway commissions, state officers who by law exercise active supervisory powers over the affairs of railways; also the secretary and assistant secretary of the Interstate Commerce Commission, and the secretary or clerk of each state railway commission where such office is created by law.

Honorary membership shall include former members of the association, a committee of three from each steam or street railway accounting association, the statistician of the Interstate Commerce Commission and of the several state commissions, together with the engineers of said commissions.

Active members shall be entitled to one vote each, if present, upon all questions coming before the association. Honorary members shall have the privileges of the floor and the right of debate, but shall not be entitled to vote.

NATIONAL ASSOCIATION OF RAILWAY COMMISSIONERS.

Committees have been appointed to consider and report to the next convention on the following subjects:

1. Classification of operating and construction expenses of electric railways.

2. Grade crossings.

3. Railway taxes and plans for ascertaining fair valuation of railway property.

4. Amendments of act to regulate commerce.

5. Uniform classification and simplification of tariff sheets.

6. Railway statistics.

7. Legislation.

8. Safety appliances and block signals.

9. Delays attendant upon enforcing orders of railway commissions.

10. Rates and rate making.

11. Powers, duties, and work of state railway commissions.

*Committees are required to prepare and transmit their respective reports to the secretary thirty days before the date of the next convention. The committee reports should be sent to the secretary as soon as possible.*

It is earnestly desired that all members shall attend this convention, as questions of unusual importance are likely to be brought up for discussion. Each member should come prepared not only to discuss the topics above mentioned, but to present additional matters pertaining to railway regulation for consideration by the convention.

W. G. SMITH,  
*Of South Dakota, President.*

EDW. A. MOSELEY,  
*Secretary Interstate Commerce Commission, Secretary.*

WASHINGTON, D. C., *March 1, 1906.*

The PRESIDENT. The secretary will please call the roll by states.

ROLL CALL BY STATES.

*Connecticut.*—A. F. Gates, W. O. Seymour; H. F. Billings, clerk.

*Georgia.*—H. W. Hill, J. M. Brown.

*Illinois.*—W. Kilpatrick, secretary.

*Indiana.*—C. V. McAdams.

*Kansas.*—J. W. Robinson.

*Kentucky.*—C. C. McChord, McD. Ferguson, A. T. Siler; J. E. Newman, clerk.

*Louisiana.*—W. M. Barrow, secretary.

*Maine.*—J. B. Peaks, B. F. Chadbourne, Parker Spofford.

*Massachusetts.*—G. W. Bishop.

*Michigan.*—T. W. Atwood.

*Minnesota.*—I. B. Mills, C. F. Staples, W. E. Young; Thos. Yapp, assistant secretary.

*Missouri.*—J. P. Rice.

*New Hampshire.*—A. G. Whittemore, G. E. Bales.

*New York.*—J. M. Dickey.

*North Carolina.*—F. McNeill, S. L. Rogers, E. C. Beddingfield; H. C. Brown, clerk.

*North Dakota.*—C. S. Deisem; C. C. Hammond, secretary.

*Pennsylvania.*—I. B. Brown, T. B. Klein, W. W. Morgaridge.

*South Carolina.*—J. H. Wharton, B. L. Caughman, J. H. Earle; D. P. Duncan, secretary.

*South Dakota.*—W. G. Smith.

*Virginia.*—B. T. Crump, J. E. Willard, H. C. Stuart.

*Washington.*—J. S. McMillin, J. C. Lawrence; C. A. Snowden, secretary.

*Wisconsin.*—John Barnes, B. H. Meyer.

*Interstate Commerce Commission.*—M. A. Knapp, J. C. Clements, C. A. Prouty, F. M. Cockrell; E. A. Moseley, secretary; M. S. Decker, assistant secretary; H. C. Adams, statistician.

*Association of American Railway Accounting Officers.*—J. O. Clifford, C. I. Sturgis.

*Street Railway Accounting Association of America.*—W. F. Ham, P. S. Young.

*Other persons present.*—J. V. Smith, of Alabama, and J. H. Paddock, of Illinois, former members; A. L. Judson, accountant; Jeremiah Collins, appointed by governor of Montana; E. Kearney, appointed by governor of Nebraska.

The PRESIDENT. We will now hear from Mr. Knapp.

#### ADDRESS OF WELCOME.

MR. KNAPP. Mr. President and members of the convention: Whatever may have seemed to warrant the executive committee in proposing that I should say a few words at this time, my only excuse for attempting to comply with the request is that I may acquit myself of any possible charge of indifference toward the great work in which you are engaged, and that I might indicate, even by a very crude and unbecoming statement, the very deep interest with which I regard the work and aims of this association.

It is highly gratifying to me, as I know it is to all my associates, that this convention has returned to Washington for its annual session. This is the place where the first convention of Railway Commissioners assembled and the place where its meetings were held for a number of years. Since then you have, doubtless, for good reasons, chosen to hold your sessions in different and widely separated parts of the country, and this has had its manifest advantages. It has given opportunity for extended observation and has enabled you to experience the abundant hospitality of various sections and cities of the country. It is, perhaps, not too much to suggest that the usefulness of that shifting programme has been exhausted, and that perhaps it is the part of wisdom to bring back to the capital city, as a permanent place, the meetings of this association.

I do not need to say that whatever facilities we have for your

accommodation are very heartily at your disposal, and that your presence here this year and in future years will be exceedingly welcome, not only because this would seem to be the appropriate place where a representative body of this kind should assemble, but because it gives the members of the federal commission the opportunity which otherwise would often be wanting of at least showing their interest in the common work, if not more actively participating in your deliberations.

It would hardly be becoming on my part to take your time in even suggesting the importance and far-reaching character of your administrative duties.

Nothing to my mind is so impressive as the marvelous growth of our modern transportation facilities. It is like a touch of romance that within the memory of men still living we have left the stage-coach and the canal boat and this vast system of state and interstate railways has come into such active operation. It is the most transforming event in the industrial and social history of mankind. Nothing has ever occurred which equals it in its influence upon human environment and the activities in which men are engaged, in the possibilities of achievement and enjoyment. The railroads of the United States, the great highways of our commerce, are at once the greatest achievement and the greatest necessity of our modern civilization. That they are to be subjected to public authority, brought under the control of state and national governments, is a proposition which has quite passed the stage of dispute or discussion. More and more, I am sure, as our people come to realize the essential nature of public transportation and its peculiar and vital relation to every form of industrial and social activity, more and more will they insist that these indispensable agencies of our commerce shall be brought under adequate and actual control. That means the development of both state and national laws on wise lines, looking to the conservation of these great forces and the harmonizing to the highest possible degree of these various and conflicting interests. I am impressed more and more with the significance and importance of the work in which those men are engaged who administer state and national laws for the control of our railroad systems.

If I might venture just another word, it would be to make this suggestion. The great movements of commerce pay little regard to the artificial boundaries of states. More and more, as the country develops under the impulse of modern methods of transportation, more and more will the unity and harmonious action of a great railway system be seen to promote the interests of the entire country. And while you meet here for the interchange of views, for the discussion of various matters of minor interest connected with the problem of regulation, I am sure you will not lose sight of the fact that beyond

all matters of detail is the more important task of such legislation and administration as will promote the harmonious development and freest action of these great avenues of intercourse, and so advance the welfare and prosperity of our common country.

I trust, gentlemen, that your meeting here in Washington this year will be as agreeable as I am sure it will be instructive, and that the results will make noticeably for the administration of justice in regard to our railroad systems and so accomplish something for the benefit of the entire country.

[Applause.]

#### ADDRESS OF THE PRESIDENT.

The PRESIDENT. In addressing you to-day, and especially the Railway Commissioners of the United States, I desire at this time, not having had the opportunity at our last convention, to extend to you my sincere and heartfelt thanks and appreciation for your confidence in me, as expressed by your electing me as your presiding officer at Deadwood by a unanimous vote. I want to say to you, brother commissioners, that your manifest confidence in me will ever be a bright spot in my career, for I consider the presidency of the National Association of Railway Commissioners, made up as it is of able men, chosen for their fitness, ability, and honesty to supervise, regulate, and control the railways of the United States, with their vast capitalization and influence for weal or woe, in all parts of our grand country, is an honor worthy of the ambition and appreciation of any man.

The commercial importance of the railway system of the United States, with its mileage of about 212,000 miles, with 1,296,121 men on the pay rolls, receiving annually over \$817,500,000 in wages, who assisted in carrying 715,500,000 passengers during the year ending June 30, 1904, and a total of almost 1,310,000,000 tons of freight during the same period, can hardly be properly estimated.

The total railway capital invested, on June 30, 1904, as measured by par value of outstanding securities, was over \$13,213,000,000. Fifty-seven and forty-seven one-hundredths per cent of this outstanding capital paid 6.09 per cent dividends, while it appears that the balance of the invested capital paid no dividends.

A casual glance over these figures will show, in a measure, the vast importance of the railroads and the railroad question of to-day, and I believe that I am safe in saying that no greater question has come before the American people, to be considered and settled, during the last quarter of a century. It affects for good or evil every dollar of invested capital in this country, every business in the land, be it large or small, and to the welfare and actual livelihood of the workman it becomes a matter of homely vital interest.

The last half century has been a wonderful developer of our country, which has been largely brought about by the building of new

railroads in the unsettled and undeveloped parts of our land, thereby making the railway system of the United States the marvel of the whole world, and this growth and development have been so rapid that regulation with thoughtful consideration by the people and government has in a measure been neglected.

During the evolutionary stage of railroad development the question has been "how to get more railroads, not how to control them," and we of the West still hear the cry for more railroads. Had the question been "how to control them," without doubt the transportation facilities of the United States could not have reached their present magnificent development, which has been so marked as to excite the admiration of all other countries. This development has in a large measure been stimulated by government land grants, state, county, and municipal aid, as well as by the offering of very great inducements to private capital seeking investment and speculation.

Any method of uniform regulation during this progressive development period might have avoided or prevented many of the existing evils; but at the same time it would have assuredly retarded the development of our country's resources. Many will no doubt indorse the progress that has been attained under limited legislation and regulation, even though many abuses have crept in during this expanding epoch.

Power to regulate interstate commerce is vested in Congress, without any express limitations as to the measures to be adopted or the means to be employed, in its discretion, for the public welfare. This doctrine is fully laid down by the Supreme Court in the following cases: *County of Mobile v. Kimball* (102 U. S., 691), *Brown v. Houston* (114 U. S., 622), and *Gloucester Ferry Company v. Pennsylvania* (114 U. S., 196). These decisions plainly indicate that railroads as common carriers of interstate commerce are put under Congressional control; and Congress in 1887 passed the interstate-commerce act, as the method of control that it deemed best. Under the operation of this act, the railroads were left to make their own rates, under certain restrictions as to reasonableness and publication of schedules, thereby making the published schedule of rates the legal rates to all alike.

Many of the evils have been corrected and the vast majority of complaints adjusted under this law, as is fully shown by the reports of the Interstate Commerce Commission. The publicity law, as advocated by our able President, has aided in ferreting out many of the evil abuses that still existed; and the Elkins law, which has not had a fair test as yet, is another step toward exterminating the remaining violations.

It has been claimed by Mr. E. P. Bacon and many others that the interstate-commerce law intended to give to the Commission the power to make rates; that the power was exercised by the Commission

and obeyed by the railroads for ten years with very beneficial results. This seems to me to be far from the truth, and has been used, perhaps, to bolster up and create a public demand for the rate-making power and in this way to help along the present agitation. The court records, and for that matter the reports of the Interstate Commerce Commission, clearly show that three years had not passed before the railroads were refusing to obey the Commission's orders, claiming that the Commission was not vested with any original powers in regard to rates, as is shown in the 1890 report of the Commission, wherein is found the following: "In some cases the carriers, decided against, have for a considerable period manifested a purpose not to obey an order of the Commission reducing rates, claiming to have advice of counsel that the action of the Commission was not conclusive," and again in its 1895 report the Commission says, "The complaints investigated by the Commission relate for the most part to the measure of compensation which the shipper shall pay and the carriers accept; yet nowhere in the act is the Commission specifically empowered to decide, in any case, what the compensation should be, and its authority to do so exists mainly by implication."

What were the paramount abuses at the time the act to regulate commerce was passed, and what are the paramount abuses to-day? The select Senate committee that reported to the Senate in 1886 said, "The most flagrant and reprehensible form of arbitrary discrimination constitutes the greatest evil of the transportation system of the United States." The Commission, speaking of rebates in its first report for 1887, said: "No provision in the act to regulate commerce is more important than that which forbids them;" and in its 1890 report it says: "There is every reason to believe that the provisions which were intended to preserve uniformity of rates and prevent unjust discriminations have been very directly disobeyed or evaded in a great number of cases in all sections of the country;" and farther on says, "The act to regulate commerce is perhaps most often disregarded in the giving of rebates, or the granting of special rates for the transportation of property of large shippers." If we go a little farther on and repeat what was said in the annual report of 1894, we there find an epitome of what we read in the public press of to-day, wherein Senator La Follette asserts that \$2,000,000 are annually given in rebates in the State of Wisconsin; in that the Commission said: "It is thought, and it has been openly charged, that rebates were made to shippers by some roads, in disobedience of the law, in a degree sufficient to amount to millions of dollars per annum;" and again in 1897 in their report the Commission says, "We are constrained to believe that one of the worst features in the present situation arises from a departure from the published rates of particular shippers;" and in its next annual report it says, "Tariffs are

disregarded, discriminations constantly occur, the price at which transportation can be obtained is fluctuating and uncertain, railway managers are distrustful of each other, and shippers all the while in doubt as to the rates secured by their competitors. \* \* \* We are satisfied from investigations conducted during the past year and referred to in another part of this report, as well as from information which is perfectly convincing to moral intent, that a large part of the business at the present time is transacted upon illegal rates. Indeed, so general has this rule become that in certain quarters the exaction of the published rate is the exception."

How can these abuses be cured?

The select Senate committee in their report in 1886 to the Senate said, "What is everybody's business is nobody's business, and the conclusion seems irresistible that specific enactments must undoubtedly fail to remedy the evils which they are designed to cure, unless an executive board be organized for the special purpose of securing enforcement;" and Congress accepted this view and established the Interstate Commerce Commission for the purpose of enforcement of the laws. It seems that Congress was compelled to be a little more explicit, for in 1891 it passed the following act: "And the Commission is hereby authorized and required to execute and enforce the provisions of this act; and upon the request of the Commission, it shall be the duty of any district attorney of the United States, to whom the Commission may apply, to institute in the proper court and to prosecute under the direction of the Attorney-General of the United States all necessary proceedings for the enforcement of the provisions of this act."

In the Commission's first annual report for 1887, after the act was passed, the Commission says that special and secret rebates had almost ceased to exist, and that no provision of the act to regulate commerce is more important than that which forbids them; and right in line with this, Chairman Knapp, in speaking about the Elkins law, said: "A more effective and complete measure, for its purpose, has not come within my observation. It is invaluable,"—continuing—"and when we got that in the Elkins bill, the thing stopped overnight—that is to say, when your law is effective, when anybody that is violating it knows that he can be reached and punished, why he is going to stop." Again, in the 1903 report, the Commission says, in speaking of the Elkins law, "The Commission feels warranted in saying that its beneficial bearing became evident from the time of its passage. \* \* \* Indeed, it is believed that never before in the railroad history of this country have tariff rates been so well or generally observed as they are at the present time." These reports were made soon after the laws referred to were passed, and the railroads no doubt thought that they were going to be enforced, and knew it

was best to obey them, but just as soon as they became convinced that the Commission was still trying to make rates, under their implied power, and were not in the enforcing business, then the railways took chances and results were as portrayed by the Commission—not satisfactory to the public. What makes the breaker of the law uneasy? Surely the enforcement of the law. What will cause the observance of the law? The enforcement of the law. This is, I think, very well illustrated by the land laws. Many of us a few years ago heard many complaints from many sources, urging that the land laws were in great need of amendments. What happened? The laws are being enforced, and we hear very little about the laws being in need of amendments. Lax enforcement of any law causes contempt and discredit for the law.

As I look at it, Congress has done its duty so far as the passing and planning for the enforcement of laws to prevent rebates, unlawful discriminations, secret rate cutting, and the many other methods of preferences. I am satisfied that as soon as the laws are fully tested, if found wanting, Congress will amend them so as to strengthen them. In the Elkins Act, Congress has given to the Interstate Commerce Commission a great weapon for good; for it empowers the Commission to apply, without formal hearing, to the courts for injunctions in all cases of unlawful discriminations in rates, and in this way the Commission can get immediate results through the restraining orders. Congress has passed the expedition act of 1903, and perhaps it was largely through the influence of this association that this was done, for we have been asking for the passage of that act for several years.

Now, gentlemen, what good has that act accomplished to help out the expedition of decisions? Has it been used as a means of relief in the hastening of decisions?

What has been the effect of this nonenforcement of the laws to regulate commerce as amended up to date? It has been heralded through the public press, including the monthly magazines, of this and that investigation of rebates, unlawful discriminations between places and persons, of the midnight tariffs, secret rate cutting, and of the private car iniquities. Do not these cases end most often in investigations and publications which poison the public mind? The people, believing there is now no adequate remedy, have become righteously wrought up at the thought of these unlawful practices, and have been led to believe that the present laws are not good and effective; and the people have been so aroused as to demand relief from these unlawful practices by the railroads. Through this very condition of investigation, publicity, and nonenforcement of the laws, comes the great pressure upon Congress to "make good."

President Roosevelt in his message to Congress in 1901 said,

"Above all else, we must strive to keep the highways of commerce open to all on equal terms, and to do this it is necessary to put a complete stop to all rebates; whether the shipper or the railroad is to blame, it makes no difference, the rebates must be stopped." All the people admire the President and believe that he has taken the right stand on this question, and they will stand by his courageous, zealous, and persistent efforts to cure these evils, and those who have been saying "enforce the laws" are delighted to know that he has instructed Attorney-General Moody to see that the laws are strictly enforced. The Attorney-General, according to the public press, has requested his eighty-five United States attorneys to investigate and indict all of these unlawful rebaters and givers of unlawful discriminations, under the old conspiracy law, the penalty being a sentence to service in a penitentiary.

As a railroad commissioner for the past seven years, I have been studying this question, not only in every state in the Union, but in Canada and Mexico; and am much pleased with the course that Attorney-General Moody is pursuing, for I am a believer in the efficiency of the present interstate-commerce law, if it is enforced as expeditiously as the law will permit, and impartially to all; and I fully agree with Chairman Knapp, when he says: "There appears to be a disposition in some quarters to discredit the present law and belittle the results of its operations. It has been described as a crude and ill-considered measure which has made little advance toward the accomplishment of its intended purpose. I am very far from having any sympathy with that erroneous view. On the contrary, I regard the act to regulate commerce as one of the most important and beneficent statutes ever enacted by the Congress of the United States. When you consider that the enormous power of the Congress, under the commerce clause of the Constitution, had lain dormant for nearly a hundred years; when you call to mind the amazing rapidity of railway construction during the two speculative decades that followed the civil war; when you take into account the conditions which have grown up with that extraordinary development, and bear in mind that the practices which we now regard with reprobation were looked upon with tolerance, and found little condemnation in the average conscience; when you think of difficulties to be overcome and the obstacles encountered, it seems to me remarkable that a law should have been passed, based upon broad principles which are fundamentally correct and eternally right, and which contain such comprehensive and salutary provisions."

There has been too much of an effort to try to make rates, under the implied provisions of the law, instead of trying to stop rebates. Why do I say this? In the Forum for December, 1897, Commissioner Prouty says: "The murderer under death sentence has just

as much power over the execution of that sentence as the Interstate Commerce Commission has over the putting in force of a rate." In 1899 the Commission in its report says, "It is safe to say that nine-tenths of the people do know that any railroad company can charge for its service whatever it pleases, and as much as it pleases, without any real power in this Commission, or any other tribunal or court to limit the amount of such charge for the future, when complaint is made by an aggrieved shipper." And again, in its annual report of 1904, the Commission says, "It is conceded by all that it is right that rates should be reasonable and just. It is clear that when they are not so, there is no adequate means of making them such, unless the carriers at fault can be convinced and persuaded to do so." I leave you to draw your own conclusions as to what effect these and similar statements would have, not only upon the carriers, but the public in general. .

Let us look at the present interstate-commerce law. The object of the law is to compel the publishing of all tariffs, so as to charge all alike, and to give each shipper a "square deal," and, at the same time, to prevent unreasonable rates and unlawful discriminations. In fact, the law says that all rates should be reasonable. The Interstate Commerce Commission was created to assist the shipper in securing reasonable rates, for it was empowered with the duty of investigating any and all rates complained of, and, indeed, to investigate upon its own motion. If the investigation, in the judgment of the Commission, proved that the rate was unreasonable, it became its duty to order the common carrier to discontinue to charge and collect the unreasonable rate. It further provides that in case the common carrier does not obey the order of the Commission that it was empowered to go to the United States attorney, in the federal district, and request him to bring an action, under section sixteen of the act, for the enforcement of their order; and if the circuit court found the order of the Commission lawful, it then becomes the duty of the court to enter a decree compelling the railroad to observe the Commission's order, the decree becoming effective immediately, even though the decision is appealed from.

Under the so-called Elkins law of 1903, no hearing is required. The Commission can go into court and secure a restraining order, where the complaint is unreasonable discrimination, which takes effect immediately.

What has been the effect during the past years in cases which the Commission have formally investigated, in their endeavor to prevent excessively high rates?

If I am correctly informed, there has been, in all, the unlucky number of thirteen, from January, 1900, to January, 1905. First, the

Hay case, where the court held that the order was void, because it was not in compliance with the law. But the court, I believe, went farther and said, "that while it was not necessary to decide it, on its merits, the rate condemned as unreasonable was a reasonable rate and not subject to criticism."

Next the Soap case. The rate was advanced in January, 1900, by changing the classification. The Commission decided in April, 1903, that the rate was unreasonable. Their order was disobeyed. In the summer of 1904 the Commission brought suit, and in November, 1905, the United States court decided in favor of the Commission. You will see that the court was not so very slow. Third, the Tift case, in which the court decided in favor of the Commission. The fourth case was the one involving the live stock and live-stock interests. The court in a measure sustained the Commission's findings, but for legal reasons would not order compliance. Of the balance of the thirteen cases, the Commission found it just to make seven direct orders of discontinuance to charge the unreasonable rate. The carriers complied with the orders of discontinuance, but did not always follow the request, as suggested by the Commissioners, as is instanced by the Peach case. In this case the charge per car lot on peaches was \$80, and the Commission, after investigation, ordered the carriers to cease and to discontinue the \$80 rate, suggesting that \$50 would be a reasonable rate. The carriers stopped charging the \$80 rate, and afterwards charged \$65 per car.

As has been shown, these results were all that were intended when the law was passed. Some will complain, as did Commissioner Prouty, that no relief can be secured, for the railroads will be technical in their compliance. Now, whenever the railroads do comply, I believe that substantial relief will result. Not perhaps all that is asked for, but I fully agree with Chairman Knapp when he says: "The carrier can not afford to trifle with the public authority. It can not afford to do a trivial and evasive thing. I must honestly say that I do not believe any railroad manager would make, under such a theory as that, a nominal change in a rate for the purpose of technically complying with an order to cease and desist. If that was done twice in this country, the next session of Congress would fix it."

I started my investigations, as to increasing the power of the Interstate Commerce Commission, so as to enable them to make a maximum rate, when a rate was challenged and found excessive, with considerable enthusiasm in favor of the plan; but the more I have investigated the more I have had to contend with the principle that the greatest fault with the present system of reducing excessive rates is that the courts will not uphold the views of the Interstate Commerce Commission as to what is a reasonable rate, and in this way the court's decisions are not satisfactory to either the Commission or the ship-

pers, both seeming to want a lower rate than the justice in the case would warrant, as indicated by the court's decisions.

Any law passed that does not contain absolute rules for deciding what is a reasonable rate—what is a reasonably remunerative rate—and does not establish the constitutional right to appeal, will, in my mind, fail in its object for good. On the other hand, tariff charges are bound to be adjusted, not only relatively, but actually, by the constant pressure of commercial and economic principles. Just think of it; only thirteen cases, which includes those instituted by the Commission on its own motion, in five years, where the cause was excessive rates requiring formal investigation and decision by the Interstate Commerce Commission.

Let us see what the courts say about this rate-making power.

The construction which the Supreme Court of the United States has put upon the act to regulate commerce in the case of *Interstate Commerce Commission v. Alabama Midland Railway Co.* is fully expressed by them in the following language: "Subject to the two leading prohibitions, that their charges shall not be unjust or unreasonable and that they shall not unjustly discriminate so as to give undue preference or disadvantage to persons or traffic similarly circumstanced, the act to regulate commerce leaves common carriers as they were at the common law free to make special rates looking to the increase of their business; to classify their traffic; to adjust and apportion their rates so as to meet the necessities of commerce and of their own situation and relative to it; and generally to manage their important interests upon the same principles which are regarded as sound and are generally adopted in other trades and pursuits. The carriers are better qualified to adjust such matters than any court or board of public administration; and within the limitations suggested it is safe and wise to leave to their traffic managers the adjusting of dissimilar circumstances and conditions to their business;" and the Supreme Court has clearly pointed out in its decisions that it is not necessary for the regulating of railroad rates in compliance with the interstate-commerce act that the Government, either in its own person or in the persons of its agents, the Interstate Commerce Commission, should exercise the power to fix a railroad rate or railroad rates.

Examine the records fully and you will find that it is not the excessive rate that is causing this agitation, but the rebates—the unlawful discriminations and preferences and the discrimination between persons and places.

But suppose that Congress should give or delegate to the Interstate Commerce Commission the authority, upon complaint and investigation when a rate is found to be unreasonable, to make a maximum reasonably remunerative rate for the article complained of. This maximum rate would at once become the minimum rate and not only

affect that article, but every other article in that classification. Would it not?

Now suppose that the article was being transported from Chicago to New York over the shortest route, the best and cheapest managed, and the best-paying road; would not this railroad maximum rate, if made by the Commission, apply to every article in that classification between Chicago and New York? If this maximum rate applied between Chicago and New York, would it not apply on each of the railroads, the longest as well as the shortest? Might not this Commission-made rate be confiscatory for the long road? Let us go a little farther in this supposition and suppose that the law was so amended as to make the lowest rate charged by a railroad, as suggested, the maximum rate, where would we land on a "square deal?" Now we will suppose that of the many lines now existing between Chicago and New York, one should have hard luck and become a third or fourth class or nearly a bankrupt road. In order to keep its charter alive it was compelled to operate, and in order to run its trains it would have to get enough to pay the out-of-pocket expenses, which it does with the hope of better times in the future. Furthermore, if this road is the short line, would it not be possible for it, in order to try to live, to cut a published rate or to publish a rate at, say, out-of-pocket cost, which would be really confiscatory? Would you want the Interstate Commerce Commission to make this low rate the maximum rate between Chicago and New York?

Would not this one act alone, of the Commission, make all the competing lines carry this class of freight at confiscatory rates or go out of business? Do you believe that such an order of the Commission should go into effect without first being reviewed by the courts? Do you believe that such a rate, even though the Commission did try to enforce it, would stand as constitutional in any court?

How could the Interstate Commerce Commission handle all the extra cases that would arise through complaints and have time to enforce the rebate and unlawful discrimination laws?

For an answer to this I believe that it is fair to repeat what the Commission has said itself, as to the duties of its office.

In their fourth annual report for the year 1890 it says: "When the question arises, as it often must, why obedience to the law is not more completely secured, it is in part answered by the very magnitude of the country, and of its enormous railway mileage, equal to many times that of any other country and considerably exceeding that of all Europe combined. The railway mileage of this country in round numbers is about 160,000 miles. The number of railway employees exceeds 700,000, and adding to these the number connected with railroad transportation, in various capacities, such

as officials of roads, officers and other employees of associations, traffic solicitors, legal advisers, and others, the aggregate is not far from a million, or nearly one-twelfth of the adult male population of the country. The business done includes the carriage of 540,000,000 tons of freight and 472,000,000 passengers. The enormous extent of subject-matters of regulation is shown by these statements. Any criticism of the efficiency of regulation would obviously be defective if it failed to take notice of the vast number of persons and the extent of the business to be regulated. The extent of the country is also of vast importance. Railway regulation in a small and compact country, where all the carriers are easily kept under observation and where the circumstances of carriage in all parts are so substantially alike, is a small matter compared with the regulation in a country so extensive as this, where the transportation is subject to such variety of circumstance, and where differences in conditions of carriage, in the different sections, are so striking and so peculiar. That which may be a simple task with a regulating commission in any other country is obviously a far more complicated and difficult undertaking in the United States, and one that calls for ceaseless exercise of vigilance and exacting labor. A commission in this country has a field of jurisdiction of enormous extent, necessarily giving rise to a variety of duties demanding daily attention. Matters of importance frequently require prompt action in various parts of the country at the same time. The performance of such imperative duties as to make investigations, to keep watch over the filing and publication of tariffs, to examine and revise classifications and rates, to collect and tabulate statistics, and to prepare decisions upon controverted questions, leaves little if any opportunity for the commissioners personally to do more than to lay down general rules for the regulation of the business under the law. Prosecutions of offenders for violation of the law are undoubtedly necessary and important means for the effectual enforcement of its provisions, and several prosecutions of this character have been instituted and carried on at the instance of the Commission. But the enforcement of rules laid down, and especially of the penal provisions of the statute, must largely be left to the parties injured by the violations, or to the public authorities in the sections where the violations occur. Had the Commission the power which has been asked for heretofore to make and conduct investigations through agents, clothed with authority to call for the records and papers of the carriers, and when the published rates are believed not to be observed, or when, in any other particulars, there is reason to believe that the law is being disobeyed, it would then have in its hands a means of enforcement which at this time does not exist. Yet to-day the mileage is greater,

the number of tons of freight and the number of passengers are greater, the number of private cars are much greater, and the variety of industries is much greater, making effective enforcement very much greater."

Our safe and able President in his recent message said: "It must not be forgotten that our railways are the arteries through which the commercial life blood of this nation flows. Nothing could be more foolish than the enactment of legislation which would unnecessarily interfere with the development and operation of these commercial agencies." Bearing this in mind, we must be very considerate in our examination of any amendments to the interstate-commerce law, knowing that drastic legislation would unnecessarily interfere in the future with our splendid railway service. In nearly every state in the Union that has rate-making power, and especially where this power has been used, the effect has been to place all the intrastate commerce on a distance mileage basis. The Interstate Commerce Commission in the famous differential case, ordered the differentials in favor of Philadelphia and Baltimore as against Boston and New York from Chicago, basing their decision on the distance. It seems to me that one of the most important decisions, to us of the middle West and far West, dependent as we are on the long haul to the Atlantic seacoast, is that of the Supreme Court in the *Import Rate Case* (162 U. S., 197). Here it is said, "The effect of the Commission, by a rigid general order to deprive the inland consumer of the advantage of through rates and thus giving an advantage to the traders and manufacturers of the large seaboard cities, seems to us to create the very mischief which it was one of the objects of the act to remedy."

We of South Dakota and the middle West particularly, being in a sparsely settled country, are very much interested in the preferential commodity rate as the developer of our country, and are naturally opposed to the distance tariff principle when applied to all freight rates. We are thousands of miles from either coast and so sparsely settled that we can not begin to use up our own products. We are too far from any of the large cities to supply them with our surplus, if a fixed per ton per mile rate is established. There is nothing that we raise that can not be raised in the far East or the far West. Unless we have tariff that will allow us to place our products where we will, at prices which are competitive with those raised nearer by, we are necessarily shut out from the many markets we now enjoy.

I believe it is generally conceded that rates in America are very much lower than they are anywhere else in the world; that the transportation facilities are better than they are anywhere else in the world; and that any commission could improve this condition by merely establishing rates is, to say the least, doubtful. Mr. Priestly,

the expert English authority, says: "The present prosperity of the United States of America is, in no small extent, due to the low rates charged for transportation. This prosperity has reflected itself in an increase of wages all round, in its turn, has increased consumption and consequently production. These high wages are not due to the necessities of life costing the laboring classes in America more than they cost the same class in England. It is only the style of living which is better. At the back of it all there is no doubt the protective tariff, but that would have availed little without the cheapening of the cost of transportation. \* \* \* To restore the railroads to solvency it was not possible to put up rates, even if this had been desirable with the experience before them, and the railway officials were forced to devise methods which would permit their carrying the traffic at those low rates and at the same time earn a dividend for the stockholders. The alert American mind was not long in devising those methods, and to-day railroad rates for goods traffic, judged as a whole, are lower in America than in any other country in the world. \* \* \* They (American railway men) have managed to do what no other country in the world has done; and that is, carry their goods traffic profitably at extraordinarily low rates, notwithstanding the fact that they pay more for their labor than any other country."

William E. Curtis, on February 27, 1906, interviewed Mr. Andrew A. Bonar Law, recently political secretary of the British Board of Trade, and the representative of that body in Parliament under the late Conservative-Unionist government, who was making a tour of inspection through the United States studying our industrial and commercial conditions and methods, and particularly the effect of our protective tariff upon them. Mr. Bonar Law is one of the ablest and most conspicuous political economists in Great Britain, and for the last several years it has been his duty to represent the commercial and industrial interests of that country in the House of Commons. He is regarded as an authority upon questions involved in commerce and industry and, as political secretary of the board of trade, which, as you know, is a Government institution, has been the chief adviser of the administrations of the late Lord Salisbury and Mr. Balfour on industrial and commercial problems.

Very naturally Mr. Bonar Law has been taking an active interest in the rate legislation that is now occupying the attention of Congress.

Asked: "How do our rates in America compare with yours?"

"Your freight rates in America are a great deal lower than ours, especially for long distances. For short distances the difference is not so great, but that is due largely to the fact that the terminal charges are the same. Your passenger rates are even lower. Your first-class passengers pay about the same as our third-class passengers, and in some cases even less. The other day I went from New

York to Boston for \$5, and the carriage, of course, was first-class. In England the lawful rate for the same distance for third-class would be 33 shillings, or \$8.25, and our first-class rate is just double our third-class. The rates in New England, I understand, are lower than they are in other parts of the country; but, generally speaking, your first-class rates are about one-half of ours for the same distance."

Under the law as it now stands the Commission has the power to pass upon the reasonableness or unreasonableness of any rate, whether complained of or not, just as it did in the Peach case; and, as in that case, if the Commission still thought that \$50 was a reasonable rate, then, just as soon as the carriers reduced their rate from \$80 per car to \$65 per car, it became the duty of the Commission to serve notice on the railway of rehearing and go into session and review that testimony and make another order to cease, and either substantial relief would have followed or the court would have been asked to decide whether the rate was unreasonable. After you have your evidence in, all that you have to do is to follow up your case, but the law is often nugatory in its enforcement, as it were.

I believe in any case the court has under investigation to determine whether a rate is reasonable or unreasonable, so as to decide upon issuing a restraining order, it is qualified to know how much of the rate under investigation would be unreasonable, and that the court should have the right to restrain all of the unreasonable part of that unreasonable rate.

I know that this position will be attacked as unconstitutional, as most every departure is questioned. Many will contend that the fixing of a rate is legislative and not judicial, but I do not advise that the court be given the rate-making power, but simply the power of restraining the unreasonable part of the rate. Let the railroads charge up to that point or below it, if they desire. In fact, I believe that Congress has the power to pass an act to require of the courts this very method of disposing of the unreasonable part of any rate. The Supreme Court in the *County of Mobile v. Kimball* said "That power is indeed without limitations. It authorizes Congress to prescribe the conditions upon which commerce in all its forms shall be conducted." I admit that the Supreme Court has at times reversed decrees of the lower courts compelling carriers to discontinue for the future various rates found to be in violation of the law; but there has never been, to my knowledge, in any case, a suggestion that the mere fact that the decree of the court had a future operation and would necessitate a change in the rates of the carrier, for the future, would in any way interfere with the jurisdiction of the court, and a slight amendment to the law making it their duty, under the law, to enjoin to the extent of the unreasonableness would cover the ground quite fully and, no doubt, very effectively.

Let us strengthen the laws so as to condemn and eradicate all rebates, secret devices, secret rate cutting, and all unjust discrimination between shippers and places, and provide further means of detection and punishment, not only of the railway man, but of all interested parties. Let the public sentiment support President Roosevelt, the man who calls for a "square deal," so that every offender against the real import of the interstate-commerce law shall be exposed and punished, and subject to public condemnation. No matter whom it hits, let him be pilloried as an enemy of the public welfare, as an agent for the tearing down of this vast commercial republic. Let us insist upon fair dealings to all, to the shipper and the carrier alike.

Capital always seeks investment in fields that look most favorable, and in this there has been no exception in the case of private car lines; except, perhaps, it has, as has the railroads, developed far beyond the most sanguine expectations of the investors; as for results, the industry of fruit growing has become a more stable and profitable business, while at the same time rates have been lowered and means of carriage have been improved. I have read so much in the public press about the iniquities of these car lines that I naturally feel prejudiced against them, but when you turn to the car supply in the other avenues of commerce, as has been very sadly shown during the last few years in South Dakota, and in Minnesota and Iowa, our neighboring states, there being a shortage of cars for the transportation of wheat and corn, I believe I can partly realize the condition of the fruit growers in other sections of our country when they have a large crop. If each shipper does not get his proper ratio of cars, and complaints are made, they are hard to satisfy, for the cars are not to be had. There are always two sides to any question, and in this particular question let us lay aside all prejudice, investigate carefully and impartially, and then do the right thing as near as we can, by all concerned. Extermination would not be wise; but we ought to have such regulation as to give as near as possible a "square deal" to the grower, the shipper, and the carrier.

Before closing I desire to call the association's attention to what to me seems to be a very vital question, and we should not let other questions stand in the way of this. According to recent statistics for the year ending June 30, 1904, there were killed on the railroads of the United States 10,046 persons, and during the same year 84,155 other people were injured, and this was the banner year in our history. What is the duty of this association in this matter? Ought we not, as a national organization, to do something to help stop this loss of life and limb? We should ask Congress to enact laws which would more carefully guard against rail spreading, and provide for guarding crossings more effectually, and for more faithful compliance with the

automatic coupling act. More stringent enforcement as to train orders should be demanded. If there are any effectual methods or means to prevent collisions, even though they be expensive, their adoption ought to be enforced by Congressional act, and the railways required to put them in force within a reasonable time.

[Applause.]

The PRESIDENT. We will now hear Mr. Klein.

Mr. KLEIN, of Pennsylvania. The echoes of your hearty applause indicate an appreciation of the message and greetings of our worthy president from the precious metal-laden state of South Dakota. May I request your joint reciprocal greeting with best wishes that our presiding officer may have a successful administration of the affairs of this convention, so that he may be enabled to record a "red-letter page" upon the book of his remembrance that may be a joy to himself and a joy to his family during life.

We have assembled at the call for this rally, and we have come as it were upon the wing of the wind from the center to the circumference of this broad land in response to that call drawn by the fleet steeds that travel upon the solid steelways that line the realms of this domain far and wide, close and strong. It is pleasant to contemplate the comparison of the days gone by, still fresh in the memory of your comrade, the days that have marked their passage by a wrinkle upon the brow and a silver lock hard by. The days of the canoe and flatboat, the days of stagecoach and saddle, and lumbering Conestoga wagon are gone. I say 'tis pleasant to have noted the passing changes during the past threescore years and ten and to bear in mind that upon a calm September day in the year of grace 1837 a wheezy, fussy, fiery, steaming little engine, named "John Bull," came puffing into the capital of Pennsylvania, the advance messenger of the mighty pieces of machinery that now come into the same place every hour of the day. The miniature machine rolled recklessly over the straps of bar iron spiked upon a sill, never dreaming that its giant successor would glide over solid steel of 100 pounds to the linear yard. The Lilliputian train of cars is now substituted by palatial vestibuled cars of the present, and the millennium is not yet. What the electricians have in store for us and the coming generation is not yet divulged in full; but marvels will no doubt be witnessed by you young men and maidens in the not very far distant future.

It seems but yesterday since the Pennsylvania Railroad Company laid its first sill in my schoolboy time, and in the face of dire prophecies of failure, faced the proposition to build and to build until the distance of 250 long miles (to the iron city of Pittsburg) was girdled with steel, notwithstanding the mighty mountains of the Appalachian Range stood across the pathway. The demands of commerce, and the spirits of genius, invention, and perseverance, supported by the

savings of the people in joint phalanx, combined to overcome all difficulties. The valleys were skirted and the giant mountain was pierced, the mighty boulders were stricken as with the rod of Moses, and lo! ere long the terminal was reached, and the golden link connecting the Ohio River with the Atlantic Ocean by and through the heart of Pennsylvania was forged, and great was the rejoicing thereof.

This grand trunk line then constructed is now the pride of the Commonwealth in its construction and general operations of the 3,000 miles of road in Pennsylvania, traversing its valleys, delving into its coal regions, reaching forth wherever tonnage called for transportation. I need not whisper that the mileage privileges of our railroad are complained of, but we are hoping for an early improvement in that direction. With 9,000 miles of other steam railways and 3,000 miles of electric public utilities in operation, Pennsylvania is keeping pace with the requirements of the age and will in no way retard the onward march of progress and prosperity.

And so we recall the memories of the early achievements and note the grand development of a system which is to-day bewildering in the contemplation of the figures bearing on capital, bewildering in the contemplation of the figures bearing upon the tonnage and every department of the operations and their results, and the veteran of to-day may well stand amazed and in admiration and in wonder recall the changes visible since his boyhood time.

Mr. President, it is fitting that the National Association of Railway Commissioners should assemble at this time in the national capital, for at the base of yonder towering shaft, erected in memory of the immortal Washington, or in the shadow of yonder noble Capitol, whose corner stone was laid by the Father of our Country (in both of which structures we have an heritage by virtue of our birthright and by virtue of our citizenship), we can renew, if need be, our fealty to the republic, and with patriotic enthusiasm salute the Star Spangled Banner, the emblem of our nation and its glory: We are indeed on holy ground, for here sacrifices have been made and precious lives given for this nation. We may almost discern the footprints of a long line of illustrious men, presidents and statesmen, upon the pathways of this goodly city; and the echoes of the voices of the great statesmen of the past hundred years may almost be heard within the portals of the Capitol—for the great orations of Randolph and Calhoun, of Clay and Webster, of Sumner and Blaine, of Lincoln and Douglas, of McKinley and Garfield, still live, and we may in fancy hear the whisperings thereof amid the columns of the respective halls on Capitol Hill.

Here, too, armies of brave men have rallied for a deadly strife, and have gone forth to battle, and have returned warworn but victorious. Here the bronze and marble representations of our heroes

in peace and in war tell the passer-by and the student of the great historic events in which they took part, and, towering over and above all these representations, the Goddess of Liberty upon yonder dome is a fitting emblem to crown the scene. Here, too, may be found the records of the birth of the infant republic, the declaration of the immortal 56, volumes recording the pangs and sufferings in its early life, volumes recording the growth and success of the plans wisely laid by our forefathers, volumes recording the trials and tribulations, the conflicts, the victories, the defeats and final triumphs of the nation, volumes recording the characteristics of the immense area of our country, the boundaries of which, increasing and enlarging, may ere long be so extended as to enable us to say "the whole boundless continent is ours."

Here, also, we may find the results accomplished by weary hours and years of study by men who have achieved fame by reason of their inventions and of scientific research—models of perseverance and wonderful mechanism, which have revolutionized ancient methods and made famous the inventor and our country by the productions of the marvelous labor-saving machinery now utilized in the civilized world.

And here we are to-day in the Mecca of the western hemisphere, where the famous men and lovely women of the world gather from time to time to do homage (as is deemed proper by the citizens of a free republic) at the shrine founded by the great Washington, who sleeps not far away upon the banks of the historic Potomac.

It is fitting, too, sir, that this association should convene at this time at this place when the head of the nation, the representatives of the people in Congress assembled, and the people themselves in their far away homes, are all deeply interested in the intricate problems and all important questions as to the adjustment and regulation of proper charges for the transportation of the products of the country from one portion of the domain to another, over the vast lines of railways traversing the Union to and fro, from the north to the south, and from the east to the west. In the solution of the vexed questions may the influence and good judgment of this association be cast upon the side of equity and justice, without prejudice or partiality.

We recall with pleasure the fraternal relations existing between the members of the association in days gone by, and bespeak a continuance of the good fellowship that has heretofore prevailed; for there is nothing that should prevent all who are connected with the railway interests of the country to ever cherish the line of the Psalmody that affirms "blessed be the tie that binds."

And, now, sir, again presenting our respectful greetings, we trust that the deliberations of this convention now in session may be so

conducted, and its individual members be so inspired that the influence and wisdom of the collective body may be infused into the subjects under consideration, so as to redound to the best interest of all concerned. May harmony and good will prevail in our every session, and may we, upon the completion of our duty, return to our respective commonwealths with "consciences void of offense," prepared and worthy to receive from our constituents the welcome plaudit "well done, well done, good and faithful servants, enter into the joys"—and sorrows of another term.

[Applause.]

Mr. BROWN, of Pennsylvania. The executive committee had its session in this city some few weeks ago and imposed upon Mr. Ham, a member of this association, the duty of providing a programme of entertainment for the members of the association when not engaged in discharging the duties of these meetings. I will therefore ask him to report on that feature at this time before we take an adjournment.

Mr. HAM, of the District of Columbia. There has been arranged a little folder giving details as to the transportation arrangements while the convention is in session in this city. I might state for the benefit of those who have not seen the folder that each member and guest will be presented with a book of passes, good on each of the two railroad systems—the Capital Traction Company and the Washington Railway and Electric Company. I have given out a number of these and will be glad if each member will get his book or books before going away this noon.

It has been impossible to arrange a trip to Mount Vernon without interfering to some extent with the meetings of the convention, and it has therefore been arranged by the courtesy of the Washington, Alexandria and Mount Vernon Railway Company and the Mount Vernon and Marshall Hall Steamboat Company that the convention badge will be honored on all regular cars or boats either to or from Mount Vernon. The time table of the trains to Mount Vernon is 10, 11, 12, 1, and 2 and for Arlington and Alexandria every twenty minutes. Boats for Mount Vernon leave at 10 and 1.45. The grounds at Mount Vernon close at 4 o'clock, so that anybody going to Mount Vernon should bear that in mind.

This afternoon there will be a special "Seeing Washington" trip on the "Seeing Washington" car. All points of interest in and around the city will be visited and referred to by guides in attendance. The car will leave Fifteenth and G streets, opposite the Treasury building, at 3 o'clock, and it will take about two hours for the trip.

On Wednesday, April 4, by the courtesy of Charles A. P. Hatfield, of the Thirteenth United States Cavalry, in command at Fort Myer,

Va., there will be given for the guests and members of this association a cavalry and artillery drill at Fort Myer. This is an exceptional courtesy that has been extended to the members of this association, and, from personal experience, I can say that everyone that goes will be amply repaid. It is a little inconvenient to get there. There is no way to get a through car, but inasmuch as you will all have transportation on the Capital Traction Line, if you take a car of the Capital Traction Company to Thirty-sixth street, walk across the Aqueduct Bridge, and then take a car on the Falls Church Railway, it will take you direct to Fort Myer. In order to be at Fort Myer in time for the drill, it is absolutely necessary that you leave a point on Pennsylvania avenue at a time that will bring you to Fifteenth and New York avenue not later than a quarter after 2.

To-day before you go, I wish you would all get your book of passes on the local lines.

Mr. BROWN, of Pennsylvania. Before we adjourn, I beg to say to those who desire to make arrangements for the little trip south after the conclusion of the business of this convention and who have not already made arrangements with the executive committee for space in the cars, that I would be glad if they would advise me of what space is wanted to-day so that I may arrange for the necessary number of cars. Circulars have been sent to all members of the association, giving the details of the trip and its itinerary, and if there are any here who have not received the circular or desire any additional information, I would be glad to give it to them here immediately after the recess is taken or to meet them in the Green Room at the Arlington Hotel any time during the day.

I also suggest that inasmuch as this convention covers the period of four days, that for to-day, at least, we have no afternoon session, and I think we may possibly get through with the business of the association satisfactorily by having one session a day and I move that when we adjourn to-day we adjourn to meet at 9.30 o'clock to-morrow morning.

The motion was carried.

Mr. McMILLIN, of Washington. I wish to make an announcement. I regret very much the necessity of having to report the absence of the chairman of the Washington Commission, who was designated by the president as chairman of the committee on powers, duties, and work of state railroad commissions.

I ask the other members of the committee, on behalf of Mr. Fairchild, to take up the work and prosecute it as they may think best.

Mr. McADAMS, of Indiana. I move that the executive committee be directed to report a programme to-morrow morning to indicate at what time the different subjects will be taken up.

Mr. HILL, of Georgia. I think the suggestion of the gentleman is covered entirely in the programme which he will find in this circular. The committees are arranged in regular order and I presume under the ordinary rules the committees will be called in their order, or nearly so, but, as we all know, in conventions of this character it is frequently the case that some member may not be ready when called upon while another may, and I think the work of the convention will be very much hindered if we were to attempt to confine ourselves to an exact line, and therefore, if we were to fix a particular hour for the consideration of a particular subject, I think that we will find ourselves hampered.

Mr. STAPLES, of Minnesota. I think that motion was made with a very good purpose in mind, but the practice certainly has shown that we frequently call upon a committee and find that the committee, as has been stated, is not prepared, that there are certain members of the committee who wish to be present when the report is considered and can not be present at that session. If this motion prevails, any member has a perfect right to request the chairman not to have this report or that report presented until he is present. We also know that there are reports which may be considered simply in the reading of the reports. That is the disposition of it. Another report may take a half day or longer and it does not seem to me that it will be at all possible to follow such a programme. It will very materially interfere with the success of the convention.

The motion was not carried.

Mr. LAWRENCE, of Washington. I move that the chairman or the first one on the list present of the different committees be asked to announce before 9.30 o'clock to-morrow morning the time and place of the meetings of the committees.

The motion was carried.

Mr. RICE, of Missouri. I move that we adjourn until 9.30 o'clock to-morrow morning.

The motion was carried, and at 12.50 o'clock p. m. the convention adjourned until 9.30 a. m., April 3, 1906.

## SECOND DAY'S PROCEEDINGS.

WASHINGTON, D. C., *April 3, 1906—9.40 a. m.*

The PRESIDENT. The first order of business this morning will be the report of the committees.

Mr. MORGARIDGE, of Pennsylvania. As chairman of the committee on classification of construction and operating expenses of electric railways, I have the following report to make.

I will say that we are working to-day on a plan to get a uniform system of classification, as far as practicable, that will apply to both steam and street railways. It is a matter we are giving considerable

thought to, and while there is considerable difficulty in the matter, we think it is going to work out satisfactorily.

I want to read an extract from a letter which I received last week from Mr. C. Loomis Allen, general manager of the Utica and Mohawk Valley Railway Company, and an ex-president of the New York State Railway Association. The extract reads as follows:

The work we are now doing will result in the first operation of mixed service; that is, the operation of electric cars and steam trains over the same tracks. We have been working under these conditions since December 15, 1905, and during 1906, some time, we shall be operating this class of service between Syracuse and Utica. Steam and electric railroads to-day account along widely different lines, and there must be a movement to standardize both systems of accounting, so as to be applicable to both or either of these lines of work, and this would be extremely interesting to me.

I simply read this letter to show you that the railway people themselves are interested in this subject.

The report is as follows:

**REPORT OF COMMITTEE ON CLASSIFICATION OF CONSTRUCTION AND OPERATING EXPENSES OF ELECTRIC RAILWAYS.**

At the last meeting of the National Association of Railway Commissioners, held at Deadwood, S. Dak., on August 16, 1905, your committee on the classification of construction and operating expenses of electric railways was given authority to meet with the committee on railway statistics and to invite to attend the committee representing the American Street and Interurban Railway Accountants' Association, and a similar committee representing the Association of American Railway Accounting Officers, with a view of arriving at uniformity in the classification of operating and construction expenses of both steam and street railway companies to such extent as may be deemed feasible and practicable under all circumstances, to the end that comparison between the statistics of steam and street transportation systems may be of more value to those interested.

Your committee begs leave to report that acting in accordance with this authority it held a joint meeting with the above-named committees on March 2, 1906, at the Hotel Manhattan, New York City, and the following are the minutes of that meeting:

Meeting of committee of the National Association of Railway Commissioners on classification of operating and construction expenses of electric railways, held at the Manhattan Hotel, New York City, Friday, March 2, 1906, in conference with the committee of said association on railway statistics and committees representing the American Street and Interurban Railway Accountants' Association, and Association of American Railway Accounting Officers.

**Representing the National Association of Railway Commissioners.**

W. W. Morgaridge, assistant superintendent bureau of railways, Harrisburg, Pa.  
A. L. Judson, accountant, New York State Board of Railroad Commissioners.  
Martin S. Decker, assistant secretary, Interstate Commerce Commission.  
W. F. Ham, Washington Railway and Electric Company, Washington, D. C.  
H. C. Adams, statistician, Interstate Commerce Commission.

**Representing the American Street and Interurban Railway Accountants' Association.**

C. N. Duffy, Chicago City Railway Company, Chicago, Ill.  
F. R. Henry, United Railways of St. Louis, St. Louis, Mo.  
H. L. Wilson, Boston Elevated Railway Company, Boston, Mass.  
W. G. McDole, Cleveland Electric Railway Company, Cleveland, Ohio.

*Representing the Association of American Railway Accounting Officers.*

H. M. Kochersperger, New York, New Haven and Hartford Railway Company.

M. Riebenack, Pennsylvania Railroad Company.

J. D. Greene, Pennsylvania Railroad Company.

R. A. White, New York Central and Hudson River Railroad Company.

A. B. Bierck, Long Island Railroad Company.

The following resolutions were adopted:

1. *Resolved*, That this subject be taken up for disposition by this committee and the committee on railway statistics, so far as they can act, at a meeting to be held at the Manhattan Hotel, New York City, at a date prior to June 15, 1906, said date to be fixed by the chairmen of the two committees, and that at such meeting representatives of the two accounting associations be invited to confer with these committees in respect to proposed changes.

2. *Resolved*, That a subcommittee of three, consisting of the chairman of this committee, the chairman of the committee on statistics, and Professor Adams, of the Interstate Commerce Commission, be instructed to prepare a report and submit same at the proposed meeting in June, showing the differences between the classification now adopted by the electric railways and that in use by the Interstate Commerce Commission for steam railways.

W. W. MORGARIDGE, *Chairman*.

W. F. HAM, *Secretary of Meeting*.

Your committee respectfully recommends that the committee on classification of operating and construction expenses of electric railways, to be appointed for next year, be authorized to meet with the committee on statistics; that the meeting be held at the Manhattan Hotel, New York City, at a date prior to June 15, 1906, to be fixed by the chairmen of the two committees, with the idea of so arranging the classification of operating expenses of both steam and street railway companies that all practicable uniformity may be reached; that at such meeting representatives of the American Street and Interurban Railway Accountants' Association and the Association of American Railway Accounting Officers be invited to attend and confer with the committees, and that the two committees make a joint report thereon to the convention to be held in 1907.

Mr. MORGARIDGE, of Pennsylvania. This report has been submitted and approved by Mr. Judson, Mr. Decker, and Mr. Adams, of our association, and it is now submitted to you for your approval.

Mr. DECKER, of the Interstate Commerce Commission. I move the adoption of the report.

The motion was carried.

The PRESIDENT. The next report is from the committee on Railroad Taxes and Plans for Ascertaining Fair Valuation of Railroad Property.

#### REPORT OF THE COMMITTEE ON RAILROAD TAXES AND PLANS FOR ASCERTAINING FAIR VALUATION OF RAILROAD PROPERTY.

Mr. GATES, of Connecticut. A meeting of this committee was called yesterday afternoon at half past 5. There were present Colonel Wharton (of South Carolina) and myself. We had a discussion as to the order—as to the precedent. His military record beats mine, but alphabetically I was ahead of him. So it was left that I should make some remarks to this convention on the subject of railroad taxation and valuation.

It is a matter which it is very difficult for the railroad commissioners of the United States to take up and give intelligent consideration. In the first place, there are so many states of our Union that have

constitutional limitations on the power of taxation. I have been through the constitutional provisions in all our states, and I think it is in twelve of them that I find that there are such limitations, constitutional, as prevent any uniformity of the method of taxation, unless those constitutional restrictions are removed. These constitutional limitations are of various kinds. Take the two states of North Dakota and South Dakota, admitted to the Union at the same time, formerly one territory. In one the constitution specifically provides for taxation by taxing the gross returns, the earnings, I would say, of railroad companies. In South Dakota that is prohibited by statute. Now, go over into Illinois, and the Illinois Central Railroad Company has a provision for taxation on the basis of 7 per cent of the gross receipts. I think that provision is written into the constitution of the state of Illinois.

Another difficulty that we run up against is the divisions and subdivisions of our country—states, territories, counties, towns, municipalities, school districts. There are provisions that there shall be no limitation on the power of these various subdivisions to tax at the same rate and in the same way the property of railroads as all other property.

Another difficulty that we find is in the charters that were granted to the railroad corporations. In old times the country was anxious for railroads. The people gave grants; state grants, county grants, town bonds, etc., to help the railroads. The nation gave them land, and into the charters that have been granted either by direct charters, or, as in many states, the charter right coming, as it does, under the general laws, there have been written into so many charters of railroads special provisions that it is a very difficult task to prescribe any uniform method of taxation.

Figures prepared by the Interstate Commerce Commission some two or three years ago show in the United States that there are values placed, statewide, on railroad properties varying all the way from  $7\frac{1}{2}$  per cent of their commercial value in the state of Wyoming to 114 per cent of their commercial value in the state of Connecticut. The average valuation placed on the railroads of this country for purposes of taxation is 35 or 36 per cent of their commercial value. As I say, this commercial value was ascertained by the statistician of the Interstate Commerce Commission, and, in my judgment, comparing it with valuations otherwise obtained, it is probably the best, the most conservative, the nearest to accuracy of any value that has ever been placed on the railroad properties of this country. I think it is in the neighborhood of twelve billions of dollars.

Now, this twelve billions of railroad property pay, according to figures, as I have ascertained from the Interstate Commerce Commission, and from a study of Poor's Manual of the Railroads of the

United States, about 55 or 56 million dollars per annum in the way of taxes; that is, the net result of the taxation of railroads in this country is about a 5-mill tax on their commercial value. As I say, it is scaled all the way from a very small percentage up to 114 per cent. The rates vary in the same proportionate way as the valuation, almost.

I make this statement, that you take any railroad property located in any state of the Union, and set it down in any other of the forty-five states of the Union, and the amount that that railroad would pay in taxes would bear no relation whatever to that paid in its original location.

As an illustration, take the New York, New Haven and Hartford Railroad Company. That company earns, gross, about \$50,000,000 per annum. The Southern Railway earns, gross, about \$50,000,000 per annum. The New York, New Haven and Hartford Railroad Company pays annually in taxes over \$2,600,000; the Southern Railway Company pays about \$600,000. The commercial value of the railroads of New England is about one-twentieth of the value of the railroads of the country. The railroads of New England pay one-tenth in taxes of the taxes paid by the railroads of the country.

I could go on ad libitum with illustrations which my study of the railroads' returns has shown me to illustrate the great difference in taxes. Now, this is all wrong. There should be some remedy found for it. But before making any suggestions of any remedy I want to touch upon one subject closely allied to direct taxation of railroads, and that is the taxation of the stock and bonds of railroad companies.

Now, if a railroad were built, and there are a hundred million of capital and bonds, and it is all paid in, and the property is worth a hundred million dollars, that property should be taxed for a hundred million dollars; but we who own the stock and you who own the bonds should not be taxed over again. So far as I know, and I have written to every state in the Union, but have not received replies from every one, but from most of them, there is not a state in the Union but what is in the business of double taxation. Some states say that we won't tax the bonds of our local railroad, neither will we tax the stock of our local railroad. By "local" I refer to a corporation organized within the state in question. Another one says, we will tax everything, the stock and bonds, of our own corporations, and of every other corporation. Now, gentlemen, how much of the stock and bonds of railroad corporations ever reaches the tax list? I received a letter this morning, forwarded to me from home, from the attorney-general of the state of North or South Dakota—I have forgotten which—and there the law prescribed for taxing stock and bonds of every corporation, local or otherwise; whoever holds the stock or bonds to be taxed, and yet he says that question has never

come to our Supreme Court as to whether it is legal to tax them or not, although the law says it shall be, and there are no stocks or bonds properly in the territory. The trouble there is what one gentleman who is present here, in reply to my question, said: The railroad bonds are taxed as personal property—that is, if the assessors can find them. Everybody is supposed to lie about his holdings. [Laughter.]

Our own state of Connecticut has had an experience in the taxation of bonds. The law used to be, just as it is in most states, that all bonds should be taxed at the ruling rate, whatever the particular locality might fix as the rate of taxation. Cities in the state of Connecticut did not have within their borders a single man who owned a bond. Meriden and Waterbury, of 50,000 and 25,000 inhabitants, respectively, did not have a bond within their borders, and fifteen years ago the state of Connecticut passed a law which said that anybody who wanted to take their bonds and register them with the state treasurer and pay a 2-mill tax could have them exempted from all other taxation. And that seemed to be the test point of the conscience of the people of the state of Connecticut. Their consciences flashed out at 2 mills, and there were ten or twenty times the amount of bonds all at once that there were prior to the passage of that law, and it worked so well that we thought it ought to be 4 mills, and then the conscience died out and the bonds went back to the boxes. [Laughter.]

To my mind, the worst possible system of taxation of railroad corporations is one which leaves at the whims and the mercies and the good nature of innumerable bodies of assessors the property of a corporation doing business throughout the country. The simpler your method, of course, the better.

Now, my investigation and study of the matter have brought me personally to believe in only two methods of taxation: Either a tax on the gross earnings at a fixed rate or a tax based on the value of the property by what is known as the stock and bond method. Have that value fixed by a single competent board within your state. The people as a whole have rights in railroad corporations, because the railroad operates under its charter granted by the people giving them certain rights and franchises.

The market value of stocks and bonds is the best gauge, in my judgment, that you can get of the value of railroad property. We have found it to work admirably. The road into which the money is put, if the country is prosperous, is prosperous; if business falls off, it goes down. The franchise is not worth so much. As the franchise becomes valuable, business better, earnings greater, up goes the value of your stock; and the tendency for the last six or eight years has been very uniformly upward. And right in that point is where you

measure the value to the railroad company of what the people of the state have granted to them in the way of franchises. Nearly the same is true of a tax on gross earnings of a railroad company. Comparison of the figures of a great number of railroads and groups has shown to me that a 1 per cent tax on the value of the stock and bonds of a railroad company bears a mighty close relationship to a 5 per cent tax on gross earnings. I will illustrate: The value that they found of the railroads of the country, their commercial value, is about twelve billion dollars, and a 1 per cent tax on that would raise the revenue of \$120,000,000. The gross earnings of the railroads of the country last year were two and one-third billion dollars, and a 5 per cent tax on the gross earnings would raise the revenue of just about \$120,000,000. The New York, New Haven and Hartford Railroad Company, as I have stated, pays a little over two and one-half million dollars in taxes. It earns, gross, about fifty million dollars. So that by specific illustration, take the group as a whole, that statement is, it seems to me, very nearly accurate. I personally would not be in favor of a tax on the net earnings of railroads. The book-keeping makes them fluctuate. The Norfolk and Western's operating expenses are between 59 and 60 per cent, if I remember correctly. The operating expenses of some other railroads are about 80 per cent. Those of the Pennsylvania Railroad are about 78 per cent, I think. The earnings may be charged to this, that, or the other, and likely are so charged, so that there would be too much fluctuation in your taxes if they were based on the net earnings basis.

Now, these are all the observations that I have to make to you gentlemen to-day. As to just what, if anything, should be done with these observations I have no suggestion to make. As to whether somebody might or some committee might be raised by the Interstate Commerce Commission and get certain other interested parties added to it and to cooperate with it and something definite worked out—we will never get anywhere with all these obstacles in the way unless you have got something doing besides an informal discussion of the matters before the railway commissioners.

Mr. McCHORD, of Kentucky. Before the commissioner from Connecticut takes his seat, and as he has seemed to have made a very thorough investigation of the matter and can doubtless give us some information, I should like to ask him in how many states he finds a franchise assessment was made against the railroad itself.

Mr. GATES, of Connecticut. There are some; not many. I remember coming across this, where it was specified that the franchise should be assessed. Wisconsin is one of them.

Mr. McCHORD, of Kentucky. In Kentucky we have this plan: The railroad commission fixes what it deems a fair valuation on the tangible property of the railroads—that is, it takes the track proper, the

rolling stock, and in addition to that it fixes an assessment on the depots and other real estate. We have in addition to our assessment a franchise board. It fixes a value upon each railroad, and where it is an interstate railroad it is apportioned on the mileage basis, and that franchise is arrived at by having the roads report annually the earnings, and from that franchise report is determined the value of the franchise, or it is capitalized upon a 6 per cent basis; and it fixes the value of the franchise from either one of these two methods, and from the value as fixed by the franchise board is deducted the value of the tangible property fixed by the state railroad commission. I was curious to know whether any other state had a provision of that sort.

Mr. GATES, of Connecticut. Massachusetts taxes franchises of railroads, but it does it much the same way as Connecticut does—that is, by the stock and bond valuation.

Mr. McCHORD, of Kentucky. Against the railroad or against the holder of the bonds?

Mr. GATES, of Connecticut. Against the railroad. Their rate is a fluctuating one. If the average rate throughout the state of Massachusetts is 1.65 this year, that is the rate assessed against the railroad—that is, it is a flat rate of 1 per cent. That is practically the only difference between Massachusetts and Connecticut. There are two states where the franchise is assessed.

Mr. BROWN, of Pennsylvania. I would like to ask the chairman what inequalities he can find in the plan of taxing corporations with reference to their gross receipts and where is there any scheme so free from unjust and double taxation as that which provides for the taxation of railroad corporations on their gross receipts?

Mr. GATES, of Connecticut. I think that that is the most feasible method of taxation. I do not want to throw down our own method of taxation, which is on the stock and bond valuation, and where we accomplish practically the same results, as I have shown, as that by the gross tax or tax on the gross receipts.

Mr. McMILLIN, of Washington. I should like to ask the gentleman how, in arriving at this method of taxation on the gross receipts, can uniformity in taxation be reached, in view of the constitutional objections indicated?

Mr. GATES, of Connecticut. It will take a long time. The only thing is that in some states that is the method. If some other state joins, and it works well, ultimately perhaps all will come into the same method.

Mr. McMILLIN, of Washington. In other words, in many of the states the constitutional provisions must necessarily be changed in order to have a uniformity in the laws?

Mr. GATES, of Connecticut. In twelve states, as I have found it.

Mr. MEYER, of Wisconsin. The chairman of this committee has suggested one thing that I would like to bring forward, perhaps, a little more, and that is the subject of valuation is one thing and the subject of taxation is another. The problem of uniformity in valuation is one thing, and uniformity of taxation is another thing. The question of uniformity in valuation relates to all property of the United States, while the problem of taxation is one that applies to State lines only.

In order to bring this forward a little more definitely, since the chairman has been upon the floor I have written this little sentence in the form of a resolution, with a view of testing the sense of the convention upon one phase of this subject:

*Resolved*, That it is the sense of this association that the Congress of the United States authorize and direct the Interstate Commerce Commission, or some other department of the Federal Government, to value all the railways in the United States and to fix a valuation on the railway property of each state separately.

My thought in penning this sentence was in part, perhaps, this, that the valuation to which the chairman and this committee have reference is a valuation for specific purposes; the commercial valuation, which bears as such no definite relation to the subject of taxation or to the subject of rates.

Now, the matter of rates, as we all know, is important, and the matter of taxation is important, and before we can deal intelligently with either we must have some other valuation than a commercial valuation. The commercial valuation can, we all admit, I imagine, be of no guide whatsoever in the matter of rates, for the very reason that that commercial valuation is the result of the rates which are in effect. Nor can that commercial valuation as such have a very definite bearing upon the matter of taxes, unless the properties of other kinds, properties of other manufacturing and industrial establishments, land, etc., are valued on the same basis. The income valuation represented in the bulletin referred to by the chairman assumes a 100 per cent valuation as the basis of the income-earning power of the property. So we see at once, without going at length into that, that a commercial valuation can have relatively little value for the purposes of taxes unless we inquire very carefully into the methods of valuing other property, and absolutely no value for fixing rates. And with what I have said and this little resolution we would meet questions like those suggested a moment ago among others; namely, the relation of the taxes paid by the railway properties to the taxes paid upon other forms of property.

We may agree, perhaps, that the gross-revenue method is a very convenient and simple method, but how do we know what the rate of taxation, the real rate of taxation, is on railway property when a certain rate is collected on the gross revenues? We simply do not

know; it is a matter of guess, and it takes a valuation of this kind to enable us to answer the question whether railroad property pays 114 per cent on a 7 per cent basis, as compared with some other kind of property.

Mr. STAPLES, of Minnesota. I want to ask Professor Meyer if it is not possible for him to be more specific. I for one would not understand, if I were called upon to carry out the object of his resolution, what plan he wishes to pursue. Railway properties of the country can be valued for different purposes. Necessarily a different basis would have to be established for any purpose for which the valuation should be made, and I think that the resolution should be more specific.

Mr. MEYER, of Wisconsin. This sentence, as I stated, was drawn up on the spur of the moment, and I doubt whether, on reflection, I should be willing to make it more specific, for this reason, that I have confidence in anybody which may be called upon by Congress, if Congress should see fit to call upon anybody, to establish a valuation of this kind—the Interstate Commerce Commission or any other department of the Federal Government—and I would personally hesitate a great deal before attempting to prescribe in advance what the specific purpose of that should be. My own opinion is that if they follow the valuation fixed in Wisconsin they wouldn't go far astray.

Mr. McCHORD, of Kentucky. Is it not a fact that the Interstate Commerce Commission, or some other department of the Federal Government, has already made a table showing the commercial value of the railroads of the United States, and showing it by states? It seems to me that I saw a statement of that sort some time ago.

Mr. DUNCAN, of South Carolina. Could the Federal Government do anything about assessing railroad property, except that which belongs to interstate roads?

Mr. GATES, of Connecticut. It is entirely for statistical purposes that Professor Meyer brings that up, and you are absolutely right about it, that the Federal Government could not assess state property.

Mr. MEYER, of Wisconsin. My answer to that would be that if the commission boards in the various states desire to do that, irrespective of the fact whether we can do it, but assuming a fair degree of intelligence on the part of the assessing boards, which I am willing to assume, I am not willing to believe that they would simply adopt these things without question for all purposes whatsoever. The things must be used for the purposes for which they are gotten up.

This suggestion has been made in regard to the resolution as read, and that will meet the objection of the commissioner from Minnesota:

Authorizing and directing the Interstate Commerce Commission, or some other department of the Federal Government, to ascertain the inventory value of the railroads in the United States.

Mr. STAPLES, of Minnesota. Some one has suggested that he is entirely willing to accept as a fact that different assessment boards who have to do with the assessment of railroad property are conducted in an intelligent manner. Now, I am not willing to accept that at all.

The PRESIDENT. Do you refer to Minnesota?

Mr. STAPLES, of Minnesota. Yes, sir; I refer to Minnesota, if necessary, although, fortunately, in Minnesota we are in accord with the expressions of Commissioner Gates, and I take this occasion to compliment him very highly on the manner in which he has treated this question. I do not pretend to be able to treat it at all as intelligently as he has, but, having spent a great amount of time and effort a year ago to compile and get all the information I could upon this question, I feel competent to judge in the matter of the work which has devolved upon him to make so exhaustive a research as he apparently has, and I compliment him particularly because he arrives at practically the same conclusion that I did a year ago.

Now, as to the matter of uniformity, he certainly is right. We can have no uniformity at the present time, owing to constitutional limitations; but that does not prevent this organization from considering what would, in its judgment, be the best plan. We have in Minnesota the gross-earnings system, and certainly one thing commends that plan, and that is the fact that the different assessment boards have no relation to the question of assessing railroad properties; they have no connection with that subject in any manner whatsoever. If we could have that plan, if that should be approved, we would remove the influence of the railroad companies, which certainly must be apparent to all, to influence in the different states the question of the value of their railroad properties. If South Dakota had the same system that Minnesota has, the roads which run both through South Dakota and Minnesota could not in anyway care how the matter of assessment was conducted. They realize fully that the apportionment would be just the same and the taxes would be just the same, that it depends entirely upon the gross earnings, and that the apportionment would be made, as it is in Minnesota, upon the mileage basis on all interstate business.

The state business is taxed locally upon the gross earnings plan, and I think, for my part, that that plan, perhaps, offers as little and as few objections as any plan which can be named. Furthermore, the fact that the taxes which a railroad company would have to pay would depend entirely upon the business done. There is another reason which, it seems to me, commends that plan. When the railroad business of the country is light, their earnings are small, and their taxes would be justly reduced. It seems to me that that com-

mends this plan. But it has been suggested here that it is impossible to devise any plan which will bring about uniformity. Now, I do not agree with that. That is a question which depends upon public sentiment, and it seems to me that in this body is the place to agitate the question. And if it is our judgment that the gross earnings plan is the best plan, we should adopt a resolution indorsing that plan, but I do not believe that we have got far enough along, or have treated this question sufficiently to know whether that is the best plan or not. I, for one, believe it is.

Mr. ROBINSON, of Kansas. We have in Kansas, as a part of our statute, that all taxes must be uniform, and on that account we tax the railroads exactly as we tax the farms and the personal property by an assessed valuation. The law says that all property shall be assessed at a cash value, but practice says that it is assessed at one-half or one-third or one-fourth, as the various assessors may determine. The general average probably is about one-third. The state board of assessments goes out and views those railroads, and says what the bed is worth, what the ties and the rails and the right of way and what the station houses are worth; what all of the tangible property of the railroad is worth, and then it makes that assessment on the same percentage, and in exactly the same way as they assess the cattle and the corn and the land. It seems to me to be a very uniform method of taxation. There is little complaint. The assessment is made fair, and it is probably not made more unfair on the railroad's part than on any other. A great many people object to being assessed at all, and especially to being assessed high. On the personal property, like railroad bonds and stock and such things, out there they hardly have a place on the list for the assessment. One very wealthy man in my town got caught for \$6 personal property. He disputed with the collector about that \$6, how they got that \$6 against him. And the collector explained it very clearly, and he says, "I guess you will have to pay it; you can not get out of it." "Well," said he, "I think I will, but I will see that it doesn't happen again." [Laughter.]

Now, the bond question and the revenue question would be difficult for us. We are a broad state; the conditions on one side are different from those on the other side. Our railroad divisions do not end at the state line; they go far beyond frequently, and we found out in the appraisement that it is very difficult to tell where they shall form the rates. The railroads keep their book by divisions and not by state lines, so that it is a very difficult question. But when we take the miles from the profile and assess it by the acre for the land taken, by the cost of the construction of an embankment, and by the rails and by the cars and by the station houses, there is uniformity in taxes exactly like the farmer is taxed on his property.

• Mr. GATES, of Connecticut. A railroad in our state eliminates certain grade crossings and builds and reconstructs one mile of track in the city of Bridgeport, Conn., at an expense of \$6,000,000. You put that \$6,000,000 into the tax list of the city of Bridgeport, and it would mean \$80,000 per annum income to the people of the city of Bridgeport, because they had eliminated grade crossings. Do you think that is a fair method of taxation?

Mr. ROBINSON, of Kansas. Under our ideas of fairness we treat everybody alike; and if that railroad company should reconstruct 1 mile of track, and that is worth \$6,000,000 more than it was before, it seems to me that they ought to pay for it. If it was not worth \$6,000,000 to put it in, that was their fault. The road is now worth \$6,000,000 more than it was before in that tangible property. Therefore there is uniformity there even in the taxes.

Mr. BROWN, of Pennsylvania. I would like to ask the gentleman a question. I understand that railroad property in your state is taxed the same as other property?

Mr. ROBINSON, of Kansas. Yes, sir.

Mr. BROWN, of Pennsylvania. That is, you have assessing districts?

Mr. ROBINSON, of Kansas. No, sir. The state board of assessment assesses all the railroad property in the state. It is not assessed by the various towns.

Mr. BROWN, of Pennsylvania. Then it is not assessed the way other things are assessed?

Mr. ROBINSON, of Kansas. They are assessed on the same principle.

Mr. BROWN, of Pennsylvania. Are farms assessed by the same board that assesses the railroads?

Mr. ROBINSON, of Kansas. No, sir; but the law and the method are the same.

Mr. BROWN, of Pennsylvania. If there are different boards of assessment, how can you expect uniformity?

Mr. ROBINSON, of Kansas. Because the law says that the property shall be assessed at its actual value. Now, that was the actual value, but practice there has said that it was a difficult thing to tell just what the actual value of the property was, and they have scaled it down, usually to about one-third; but the cash in the country, the bank stock and the railroad property and the personal and real are all assessed on the same basis, and the railroads are practically assessed on the same basis, from seven to eight thousand dollars a mile; that is the bulk of the railroad assessment there.

Mr. BROWN, of Pennsylvania. Well, the proposition embodied in the law or the constitution is a fair one; but the great difficulty is in the execution of such a law. In our own state the assessors in the several districts are required to assess property—I am speaking of the railroad property—at its full value, and they are sworn to do their

duty. And by full value is meant what the property would bring at a fair public sale. And yet an investigation has shown that such disparities exist in the execution of those laws as are in fact nothing less than appalling. Take a property in one district that is assessed at \$10,000 and that we will say is its actual valuation, subject to a county tax of 5 mills; in the adjoining county there may be another property, the actual value of which, or as nearly as that can be ascertained, is \$10,000, but the assessor over in that district may fix the assessed valuation of \$5,000. Therefore, it is not difficult to see what inequities exist with reference to the payment of taxes on property, and what an absolute lack of uniformity there is. And so it is with any system which authorizes individuals or assessors or officers of companies to return an assessed valuation on capital stock of corporations. There will absolutely be no uniformity. It will depend on the conscience of those who make the returns, or the disposition to evade a fair share of the burdens of public taxation; it will depend, too, upon the prejudices or the lack of judgment of the assessor, or his favoritism, and it does not seem to me that even with the conditions as they exist in the state of Kansas, as has been explained by the gentleman from that state, that there is uniformity there; it seems to me that there must be a lack of uniformity there, because the one board does not determine what shall be the assessed valuation of property all over the state; that is, of all kinds of property. The railroad property is assessed, as I understand it; by a different board from that which assesses farm property.

Now, when you solve the problem, as it seems to me it must sooner or later be solved in this country, as to the most equitable way of determining the proper basis upon which to predicate a uniform classification, it is perhaps on a system of gross receipts. We are so rapidly approaching a period when the great consolidation of transportation companies will be effected, that a uniform system seems certainly more to be desired, and when we know that all these public corporations are required to make annual reports to the state and to the nation upon their gross receipts and fix the figures which show the total receipts from all sources, it seems to me that then we have the surest basis because those who are the auditors or the comptrollers of these corporations know whether they can successfully misrepresent facts without fear of detection. I believe it is almost impossible for a railroad company to indicate figures which show the gross receipts without being in great danger of having the wrong detected.

Now, what we have seen here to-day, gentlemen of this convention, in the report of this committee, shows very clearly that the purposes for which this organization exists have not been accomplished, and that there is a work ahead of us that ought to demand the most careful consideration of every member of this organization, if on no other

subject than on this one subject of a uniform and equitable system of the taxation of common carrier corporations. The gentleman from Connecticut has shown that he has devoted a great deal of study to the matter. If I were to suggest anything to him, it would be that he embody, in a report a resolution recommending some system. He seems to favor the total gross receipt system. That is my idea. It seems to be the idea of the gentleman from Minnesota. We ought to recommend something. We shall not do our duty until we do.

Mr. McMILLIN, of Washington. I have been greatly interested in the remarks of the gentleman from Pennsylvania. But there is one suggestion made in the question of the chairman of this committee to the gentleman from Kansas which I wish to emphasize and upon which I would like to have further information. The question relates to the subject of change of a grade crossing, for instance, in the city of Bridgeport, and the theory of the gentleman from Kansas that that change, at an expense of \$6,000,000, probably added that much of value to the railroad, and therefore should be taxed that much in addition. Now, I apprehend that, as under the laws of my state, the commissions are clothed with power to compel railroad companies to change grade crossings and to make various modifications in their trackage, that the power to do so and the right to do so devolves upon or hinges upon the authority of the state, in the interest of the public, to compel public corporations or common carriers to respect the interest of the people in the protection of life and limb, as in the case the gentleman has suggested. In many cases if the commission would order a change of grade, it is apparent to us all that it might mean not only an expenditure of six million dollars, as the gentleman has suggested, in a given illustration, but it might mean also an additional expense in operation of that road for all time, and that instead of being a benefit to the road, instead of increasing its value in any respect, it would be done solely for the benefit of the public, and that then the public would in turn tax the property the additional six million dollars.

I wish to emphasize that point, because it is a subject of interest to us to know at what point we should increase the taxes upon a road, because of changes which the commission in the interest of the public has compelled them to make, and which it is apparent to the commission and apparent to the public were not made for the benefit of the road, not only compelling an outlay in the beginning, but an additional expense of operation for all time, and I think that we may get some light upon that question as to whether that would be a fair way of reaching a valuation for the purposes of taxation.

Mr. PEAKS, of Maine. I would like to ask the chairman of this committee if he found any two states in this country which have the same sort of taxation?

Mr. GATES, of Connecticut. I did not, and I made the statement that if you would take the railroad property in one jurisdiction and set it down in any of the other forty-four jurisdictions, the taxes would not bear any relation whatever to the taxes paid in the original location.

Mr. PEAKS, of Maine. When we vote here to-day, we must remember that we are voting not for our own state but for all the states. Now I learned very early in my life that you could lead a horse to water, but you could not always make him drink. It would be impossible, it seems to me, under our constitution for the Congress of the United States to apportion or assess the value upon property of the railroads of any one state. For instance, in my state we assess upon the gross income in this way: The gross income of each railroad is taken from the report made by the railroad commissioners and it is assessed per mile. For instance, the gross income of any railroad is taken and it is proportioned and apportioned according to the income per mile. Now we have a peculiar thing in our state. We have two large lines of railroad that are foreign railroads, the Grand Trunk and the Canadian Pacific, and the matter has recently been before our supreme court in this way: The Canadian Pacific's gross income was given to the commissioners, who assessed it upon the basis of the whole length of their line of railroad. The Canadian Pacific asserted that they should have counted their steamer lines also which run to Japan, which would make the taxes very much less, almost nominal; but the court said that the commissioners were right, that it was the line of railroad which should be taken into account only.

Now, you see, it would be impossible for Congress to interfere, it seems to me, under a condition of things like that, especially in our state.

We have a municipal tax. All stations and fixed property are taxed by municipalities and the railroad itself is not taxed. Now the Maine Central is building a large station in the city of Bangor and it is going to cost about three times what they expected. When that railroad station is built, the city of Bangor would tax it and they would tax it what they think it is worth. It would be unjust and unreasonable and unfair to tax it for what it cost, but they will place a fair valuation on it and it will be taxed by the municipality of Bangor. How unfair it would be for the state to tax it again.

I think it is quite a proposition for us to pass anything here to-day, upon so short a notice, upon so little discussion, so little thought. As to passing the resolution which Professor Meyer has introduced, I think we had better let it alone than do a thing that is wrong, and I heartily agree with the gentleman from Pennsylvania in this matter.

Mr. BARNES, of Wisconsin. I am inclined to agree with the gentle-

man who was last on the floor concerning the importance of the resolution offered by Professor Meyer, and I fully agree with him that we should not act upon it hastily. I agree with the remarks of the last gentleman that the resolution offered by Professor Meyer was an important resolution, and that we ought not to act upon it hastily; that we ought to take time for consideration and reflection. In that connection I move that the consideration of the resolution be postponed until to-morrow morning, giving all the parties a little time and opportunity to consider the resolution more fully.

While I am on the floor I want to say just one word relative to the matter or manner of taxing railroad properties. I do not care to say very much about it, because I think it is a matter that each state must largely work out for itself, each state having a peculiar code of laws governing the subject of taxation, and the constitutional provisions varying very much in different states. Now, up in our state we have a board that fixes an ad valorem on railroads. That board is an assessing board for the entire state—that is, it fixes the value of all the property in the state for purposes of state taxation, and in fixing its value, it does not adopt the values made by the local assessors at all. It has a system of its own of investigation, and a means of devising and determining what is a fair valuation for all the property in the state, which, I think, is reasonable and fairly accurate, unless it may be as to the personal property with which all assessing bodies experience difficulties.

That answers the objection that was made by the gentleman from Pennsylvania as to the manner of assessing in Kansas.

Now, another suggestion that I want to make in regard to this system of taxing the gross income is that it is, to my mind, a question or a method of doubtful legality, if it is ever taxed. When you are assessing the gross earnings of a railroad company or taxing them, you are taxing the earnings derived from interstate traffic, just as much as you are the earnings derived from state traffic. They are both intermixed and intermingled; and you are running against the proposition that the courts may hold that the imposition of such a tax is a tax upon interstate commerce, and if it is, the law will not stand. That question is pending before the supreme court of Wisconsin to-day, although we had for forty years or more the system of taxing gross earnings, and no question was ever raised about its validity until suits were brought for penalties for failure to report gross earnings. As soon as these suits were commenced the constitutionality of the law was attacked, and they raise a very serious question, which will, perhaps, be decided by our supreme court within a short time.

However, I wish to state once more that I desire to move the consideration of Professor Meyer's resolution be postponed until to-morrow morning.

Mr. McNEILL, of North Carolina. I think I have personally no objection to the taxation of railroads on the gross income plan, but, as suggested several times, there are insuperable objections to it in several states, ours being one of them. If we tax railroads on the gross income plan, then we would have to tax their property also; so that it is insuperable objection with us. Our constitution requires that all property—if any is taxed that all must be taxed, and taxed *ad valorem* and uniformly, so that while the gross income plan would probably arrive at the true value of the property, it is utterly impracticable for us.

The gentleman who has just taken his seat has suggested another important and vital objection, I think, to it—that is, that we can not tax the earnings of railroads received on interstate shipments, and that seems to be a fatal objection to the plan.

Now, in assessing the property on the *ad valorem* plan in our state, we arrive at its value by a consideration of the gross earnings, not entirely, but by a consideration of the earnings, and the stock and bonds as well. For instance, we take the stock and bonds and see what their value would be. We ascertain the market value of the stock and bonds, and then we would see whether they are worth the stock and bond market value with reference to the earnings; whether they are worth that much or more. Was the market speculative, or was it bona fide sale? That is the way that we arrive at the value. We take it for two or three years, and figure on that. We consider the earnings, gross and net; the net earnings might not indicate its value. One railroad might use more money than another in improving its roadbed or equipment, so that in our state we consider, with reference to ascertaining the *ad valorem* or the actual value of the railroad, the earnings, gross and net, and then we consider the stock and bonds as well.

I was gratified to see that our state, I believe, came nearer the commercial value than any other except one, as indicated by Professor Meyer.

Mr. ROBINSON, of Kansas. I see that I did not make myself entirely clear on the uniformity of the Kansas board's mode of assessing. We have a township board—a township assessor. Previous to the time of his going out to assess that property we have a county board of equalization, and they agree about what certain classes of property shall be assessed at. We also have a state board of equalization that equalizes between the counties, so that we get a very fair and a very general average on the same kind of property all over the state. Now, the gross income, I think, can be illustrated as fair, and probably the oldest state in the Union have it. As was quoted by a gentleman the Illinois Central incorporated in its charter that in lieu of all taxes it should pay 7 per cent of the gross earnings of that road.

It got a grant of 30 miles, alternate sections, of the finest land in the world, free from taxation, while the right remained in the railroad.

The school district there has not received a cent from that method of taxation; that road pays no county tax, and nothing to the municipalities—nothing to educate the people there whatever; that 7 per cent goes into the state treasury. A number of years ago, when there was serious excitement over this matter the road said that it would be willing to drop that method and take chances of assessment with other railroads, but when it was offered the chance it declined to accept, and it is to-day paying by that method; not one cent going to county or to school or to municipal taxation. That provision was extended only to that road and a very few others. When the other railroads came in their property was made assessable, as other property. The Santa Fe and the Union Pacific, and others in our state paid millions of taxes to the municipalities and the education of the people there, while the Illinois Central was not paying a cent. Why, out in our country, where we assess in that method, we have school districts in sparsely settled places in which are long lines of good railroads that pay taxation for school purposes. Now, we want equitable distribution of the taxes; man and man alike, piece of property and piece of property alike; and while there may be some discriminations, I think they are as few as under any other method.

Mr. PEAKS, of Maine. The gentleman from Pennsylvania, in addressing the gentleman from Kansas, referred to a point in the matter where some discrimination might necessarily occur, the assessment being made by different individuals through the various counties, but, as stated by the gentleman from Kansas to the gentleman from Pennsylvania, the railroads' assessment is made by a different board—by the board of the railroad commissioners of the state; consequently, there is a first-class chance for discrimination.

Mr. ROBINSON of Kansas. The assessment of railroad property is not made by the railroad board. The railroad board of commissioners have no control of taxation, but a portion of the state officers make that assessment on the railroad value of the state, after viewing the property and carefully estimating its value and arriving at a basis for its value. It is done by state officers, selected by the people of the state largely, and forms an important part of their duty.

Mr. BROWN, of Pennsylvania. I do not desire to inflict my views upon this association, but as the roads that run through the state of New York are generally those that run in whole or in part through Pennsylvania, I understand a great disparity in the scheme of taxation exists in those two states; and I should like to know from the gentleman from New York what the scheme is in the state of New York.

Mr. DICKEY, of New York. I do not want to take the time of you gentlemen, who have prepared speeches, but in answer to the question of the gentleman, I would state that the railroads of New York state are assessed practically, as I understand it, as they are in Kansas. The local boards of assessors assess the railroad or that portion of it which is in the territory over which they have jurisdiction, and it results in an unfair, unjust, and inequitable system of taxation, in my opinion.

Mr. GATES, of Connecticut. Do not they also pay a franchise tax in the state of New York?

Mr. DICKEY, of New York. I do not think that steam railroads do.

Mr. GATES, of Connecticut. I am not positive about it.

Mr. DICKEY, of New York. The street railroads and the gas companies, and others, so far as I am aware, and my recollection is quite distinct, do. The steam railroads have not as yet come under the franchise tax provision.

Mr. GATES, of Connecticut. My experience with the taxation of New York state leads me to believe that you have the most complicated system of any state in the Union.

Mr. DICKEY, of New York. I agree with you.

Mr. GATES, of Connecticut. I understand that, because I ran up against it on the taxation of telegraph companies. I found that the Western Union Telegraph Company, in order to steer its tax law to the various taxing communities in the state of New York—that is, the franchise tax of the state, county, and township, and the Lord only knows what—that they had a special building fitted up with high-paid attorneys to handle the tax matters of the state of New York. Now, incidentally, I have looked into the railroad taxation there, and my recollection is that you have pretty nearly the same thing.

Mr. DICKEY, of New York. If the gentleman will pardon me a minute, I would like to say that I have felt very much interested in the reports and talk of these men, particularly as regards this subject of taxation, which I think is probably the most important question that the people of the various states and of the United States have to confront, and it is of vital importance to the railroads, particularly at this time when there is so much agitation and so many attempts made to take away what property the railroads have in certain localities. I think, so far as it has been illustrated this morning, that the general idea to have a state board assess the taxable property of a railroad is the one that would best commend itself to my judgment, rather than have a hodgepodge local board here, there, and everywhere, with different ideas as to the valuation, and without any general consultation with each other, assessing as their sweet fancy

dictates. It seems to me to be very fair to have a state board make a uniform general assessment within the state.

The motion was carried and the report went over until the next morning.

The next report will be by the committee on amendments to the act to regulate commerce.

Mr. HILL, of Georgia. I move that this report be made the subject of order for 10 o'clock to-morrow morning.

The motion was carried.

The PRESIDENT. The next report is that on powers, duties, and work of state railway commissions.

Mr. BROWN, of Pennsylvania. On this question, in the earlier conventions held, the roll of states was called with a view of having some representative from each state report upon the progress of the work or the manner in which the duties of the respective states were performed by the commission. I think it was a good plan, because it brought to our attention a condition of affairs in the several states which would not otherwise probably have been brought to our attention. I would suggest that the list of states be called, so that any representative from any state can report upon the subject of this committee as they may please.

Mr. BARROW, of Louisiana. This report has not been submitted to the committee, and I do not know whether it meets their views. It is simply an expression from me as an individual member of that committee of what I would like embodied in their report. I will read what I have.

*REPORT OF THE COMMITTEE ON THE POWERS, DUTIES, AND WORK  
OF STATE RAILWAY COMMISSIONS.*

The most striking characteristic, to the casually observant mind, of the powers and duties of the state railway commissions is the wide diversity and the great incongruity of the laws from which the various state commissions derive their powers. So widely divergent are their duties that it is a matter of some surprise that this association should have ever seen fit to have abandoned so important a committee as the one whose duties it was to examine into the changes in the laws which took place from year to year and report them, in a condensed treatise, to the annual conventions of this body. So important has been this subject that the Interstate Commerce Commission has devoted a great deal of research to the subject, and in a series of invaluable volumes their statistician, Mr. Henry C. Adams, has embodied the results, which disclose in a manner that has not been done before the remarkable differences in the laws regulating railroads in the various states of the United States.

It is difficult to find a satisfactory reason why organized commissions having ostensibly the same aims and ends in view and actuated by similar motives should operate under such a system of laws when it is possible, by a close study of the laws of the different states, to bring about a uniformity in the powers, duties, and work of state railroad commissions which would be hailed with delight by those who must seek for precedents in deciding the multifarious minor complaints which come before their commissions.

In the volume of statistics devoted to the powers, duties, and work of state railroad commissions prepared by the Interstate Commerce Commission, that body has wisely

divided the state railroad commissions into two classes, calling them "strong" commissions and "weak" commissions, as they possess or do not possess the power to make and regulate railroad rates. Of the former class, those possessing the power to fix reasonable rates, there are 25, and they are found in the following states:

Alabama, Arkansas, California, Florida, Georgia, Illinois, Indiana (not included in the statistics referred to), Iowa, Kansas, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Wisconsin, Washington.

Now, as a matter of fact, while these states have power to make rates, it is also true that in many of them this power is not exercised to any great degree. The power to make and fix rates depends largely on the power the commission has to enforce its orders. If the law creating the commission has failed to give the commission power to enforce its orders, its power to make rates is absolutely null.

Three of the states named above, viz, Indiana, Wisconsin, and Washington, either had no commissions when the statistics of the Interstate Commerce Commission were compiled or their laws were in process of reenactment, and so may be regarded as new commissions, whose powers have been extended to a degree which will entitle them to special consideration.

Those states having commissions whose duties do not include the fixing of regulating of railroad rates are Arizona, Colorado, Connecticut, Massachusetts, Michigan, New York, Ohio, Rhode Island, Vermont, and Virginia.

Referring again to the three states in which the most recent commissions have been organized, it is pleasing to note the advancement which has been made by them in adopting laws which really clothe with sufficient powers the bodies to whom is entrusted the regulation of common carriers. In all three of these states there seems to have been made the most careful research into the laws of existing commissions, and from the best and strongest points have been created commissions which have undoubted advantages over many of the older commissions in the United States. Among those specific powers common to all three may be mentioned the power of fixing absolute rates, subject to judicial review only under certain conditions. The Wisconsin law seems to have attracted the most attention, and is regarded by many students of economics as being the evolution of the state railroad commission problem into a very perfect result. The Washington law is closely similar. These two state commissions have the power of fixing rates which, in a measure, are final. Railroad companies are not deprived of their right to have the commission's orders reviewed by the courts, but they must avail themselves of this right promptly, and not at their will. Failing to take out the review proceedings within a certain fixed time, the commission's rates go into effect, and in all litigation arising after the date of their effectiveness the rates of the commissions are taken as the basis for a reasonable rate, and the shipper is protected by a bond, fixed by the court, protecting him from any damages which he may suffer by reason of the failure of the railroad to charge the rates fixed by the commission.

This feature alone is worthy of the deep consideration of every commission composing this association, and if similar provisions could be enacted into laws in the various states in the Union the effective result would be felt immediately.

To return to the variety of duties of the state railroad commissions, a brief summary of them is given here:

Most of them may hear and investigate complaints; most of them must make original investigations into infractions of their rules and regulations and the railroad laws of their states; some are required to detect violations of these laws and punish the offenders; a few are required to make annual visits to each county in which a railroad is located; most are required to inspect railroad properties, either annually, or at their discretion; many of them may investigate accidents, and some the financial management of railroads; some have been clothed with power to investigate discriminations and irregularities in interstate rates, and to proceed to have them corrected before the Interstate Commerce Commission;

some have power to regulate express rates, some steamboat rates, and some telegraph and telephone charges, and sleeping car fares, and so on, ad infinitum, until the whole field of state regulation has been covered.

It is a safe assertion that there is not a state railroad commission in the United States that has not in its governing laws some point of difference from the laws of all the other state railroad commissions, though it may not be in all cases a material difference.

The truth of this assertion is felt when it becomes necessary for a railroad commission to seek precedents in the acts of other state commissions for rulings upon matters of importance in determining the rule to apply to new questions arising before it.

In the digest of reports from each state commission, which has been printed in the proceedings of this association on several occasions, it is found that little harmony exists, and it appears that there must eventually be some move in the direction of having laws passed in all of the states which will establish certain indisputable rights which state commissions must exercise before they can become uniformly efficient and useful.

One special point which appeals strongly to this convention at this time is the necessity for each state commission to be clothed with the power to appear before the Interstate Commission on behalf of the interests of its state in all cases where such a state may have an important interest. The power should go farther than that. It should make it one of the duties of each state railroad commission, when in its investigations it discovers irregularities or discriminations in interstate rates or practices, to report them to the Interstate Commerce Commission, and, if necessary, to institute before that body such a proceeding as will cause the injustices existing to be corrected.

By a harmonious working of the railroad commissions of the states of the United States such results may be obtained as will eventually eliminate or reduce to an infinitesimal degree all unfair practices among the railroads of the country.

Mr. BARROW, of Louisiana. I wish to say in addition to what I have written, as to increasing the powers of state railroad commissions so as to make it one of their duties to appear in behalf of their states in matters that arise before the Interstate Commerce Commission, that that has been embodied into a proposed law in the state of Louisiana and will be introduced at the next legislature along with other amendments to the act that will give them all the powers I have suggested in this report.

Mr. McCHORD, of Kentucky. I most heartily concur in the report and I move that the report be received as the report of the committee.

Mr. SPOFFORD, of Maine. As a member of that committee, I simply want to express my regret that the chairman was not able to carry out the plan of having the committee meet and consider the matter of the report before the report should be offered here. I also want to express my thanks to the member of the committee who has formulated this report, and I think there is no doubt we should all have acquiesced in it if we had had an opportunity for conference beforehand. I was in some doubt before as to what was intended, whether it was intended that this committee should collect information as to the powers and duties of the commissions in different states and report them, or whether we were to report what we thought ought to be the uniform work and duties of the commission. It seems to me that certain things are so different in different states and the requirements are so different that it would be almost impos-

sible to formulate a set rule under which the railroad commissions should act in all the different states. There are certain requirements that we could all unite upon and there are others that we might perhaps be obliged to differ upon. I believe we have the rate-making law in Maine, but that question has never been before us. There has never been a time since I have been on the commission, and I think there has never been a time that the question of adjusting rates has ever come before us. We have to deal largely with the physical conditions of the roads.

One of the principal duties we have has been in regard to the organization. I do not know how many states have a general law, but we have a general law in Maine that has been in existence there for many years. We, as a commission, have to pass on the articles of association and also upon the public convenience or requirements of the roads. After the road has been located, we have to pass on the location and have to approve that road after it has been constructed and before it can be used for public service. So, the different commissions of the states seem to have different duties, which would be hard, perhaps, to make uniform throughout this vast country. But I agree with the remarks made by the member of the committee, and renew my thanks to the gentleman for making so good a report for the committee.

Mr. LAWRENCE, of Washington. My associates and myself regret very much the illness of our chairman, who is chairman of this committee, which has prevented his attendance, but we are mutually congratulating ourselves on the presence of the member from Louisiana who read a most interesting report, and I think the committee is really complimented in the report as made.

As a little measure of recompense for the unavoidable absence of our chairman from this convention, I will state that our assistant secretary is preparing a little volume, which, I think, will prove of considerable interest to all of the members of this convention. I do not know by just what name it will be known, but I will describe it. It will contain the commission law of the state of Washington, with the constitutional provision out of which it was created, and will be so annotated marginally as to indicate the similar provisions of all the other states; so that, taking up that index of the commission law of Washington, you will see almost at a glance the list of states having similar provisions.

In connection with that, there will be a reference to the court decisions on any cases that have arisen in the administration of any of the states on any of the points that have been involved, together with a syllabus of the decisions. It is expected that that volume will be completed sometime during the coming summer, and I think it will be published in sufficient quantity so that we can supply all

the members of this association; and while, of course, the volume will not be of as much interest to the other commissioners as it will be to the commissioners and people of Washington, I think the reference to the similar provisions of the other states will exhibit, in a condensed form, a more complete view of the commission laws of the different states than any other publication of which I have any knowledge; and it will supplement the report of this committee.

The PRESIDENT. We will now have a call of the roll of states, as suggested.

The assistant secretary proceeded to call the roll of states as follows:

#### CONNECTICUT.

Mr. GATES, of Connecticut. I think there is no new statute.

#### GEORGIA.

Mr. HILL, of Georgia. In the state of Georgia—I believe it is one of the “strong commissions,” so far as its powers and duties are concerned—we have a constitutional provision which provides for a railroad commission, and under the act creating the commission in pursuance of that constitutional provision, the commission have the power to make just and reasonable rates. They also have power to settle any questions of discrimination in rates, discrimination either in favor of or against persons or places. In a general way, they have those powers. They also have the power to look into the physical condition of the railroads in order to determine whether the physical condition is safe. They also have the power and authority to erect depots and to establish telegraph stations. Under the act or amendment of the act creating the commission, the commission also have the power, or one member of it, at least, to sit on the board of arbitration in order to assess the tax returns.

I was much interested in the discussion of that question this morning. Our system there, perhaps, is a little different from what it is in some of the other states. The comptroller-general of our state, who is the tax officer, first makes the assessment, both of the tangible property and the intangible or franchise tax, because we have a franchise tax law in Georgia. If the carrier is dissatisfied with the assessment of the comptroller-general, the railroad appoints one arbitrator and the comptroller-general appoints one member of the railroad commission as another arbitrator. If those two—one appointed by the railroad and the other by the comptroller-general, as representing the state—fail to agree on an assessment, those two select a third, or umpire, who in cases of dispute as between the two arbitrators can decide with either one of the arbitrators, or, under the ruling of the attorney-general of the state, he can absolutely decide the whole question.

Under that system, I am free to say, as we have stated in our annual report to the governor, there is absolutely no uniformity, and we have asked the governor to recommend to the legislature that there shall be some uniform system of taxation in the state of the railroad properties. You can very readily see that where a board is composed of one man appointed by the railroads, another appointed by the comptroller-general from the railroad commission, and a third man, the umpire, as I have stated, they may fix upon a certain basis to work from. That may be an absolutely correct basis, but the trouble is the very next board that comes along may be composed of entirely different men, a different arbitrator appointed on the part of the railroads, a different member of the railroad commission appointed by the comptroller-general, and the umpire may be an entirely different man, and hence they may not work from the same basis and their conclusions may be entirely different, as is the case very frequently; and so we have recommended that the legislature pass some uniform law upon the question of tax assessments.

I believe, Mr. President, that is about the extent of the powers of our commission. I speak entirely impromptu. However, my colleague, Mr. Brown, who is a member of the commission, is present, and if I have omitted to state any of the powers conferred on the commission by the legislature I would be glad to have him supplement what I have said.

Mr. McCHORD, of Kentucky. How are your orders enforced?

Mr. HILL, of Georgia. For a violation of one of our orders there is a penalty of \$5,000, which the attorney-general is authorized to sue for and recover from the road or carrier violating that order.

Mr. McCHORD, of Kentucky. You do not proceed by indictment?

Mr. HILL, of Georgia. No; but I want to say that our orders are rarely violated. Sometimes in small matters, like the erection of a depot, they are technically violated. They may not complete the depot in the given time allowed, which is usually ninety days, but when their attention is called to it they usually hasten the work and the order is promptly complied with.

Neither are our orders with reference to rate making often violated. They frequently take us into the courts by injunction and we are held up now on several reductions we have recently made in rates—in the reduction of what we call our standard tariff—but there is no open violation of the orders of the commission.

Mr. LAWRENCE, of Washington. What have you done with reference to reciprocal demurrage?

Mr. HILL, of Georgia. We have a rule on the subject of reciprocal demurrage, but there is no law authorizing it. There was an amendment to the act creating the commission by which the railroad could collect demurrage, and under like circumstances the shipper could not

collect any demurrage from the railroad. Still, the commission had a rule upon that question and had some trouble growing out of that in one case. It was in a case where the commission had ordered a railroad to pay the shipper some demurrage that had accrued. It replied to the commission that it was not aware of any law or any authority which would give the commission power to order that reciprocal demurrage be paid. The commission stated that that was true, that they had no power and no authority to require the railroad to pay this reciprocal demurrage, yet the commission did have the right to say what amounts the road itself should have in case it were entitled to it, and hence the commission cited it to appear and show cause why the amount the commission had fixed—which was, I believe, at \$2 a day—should not be reduced, say, to 50 cents a day. The commission had a reply from the carrier saying that the young man who wrote that letter had no authority to do so and that it would order the demurrage paid very promptly, which it had always done when it was properly called to their attention. [Laughter.] However, since that time the legislature has amended the act, giving the commission authority and power under the law to pass a rule on that question, and we now have a rule which the commission has promulgated giving the commission the right to require the railroads to pay the shipper as well as the shipper to pay the railroads demurrage whenever demurrage accrues.

Mr. McADAMS, of Indiana. How long has this latter rule been in operation?

Mr. HILL, of Georgia. About six months.

Mr. McADAMS, of Indiana. Suppose there was a shortage of cars like there is in our state, what do you do then?

Mr. HILL, of Georgia. We have a rule on that. The legislature, upon the request of the commission through the governor, has also granted the commission of Georgia the power to require the railroads to furnish cars, and they have promptly done so up to date. We have had no trouble upon the question you suggest. Up to the present time they have promptly furnished cars.

Mr. McADAMS, of Indiana. There has been no shortage of cars?

Mr. HILL, of Georgia. There has been no shortage of cars, so far as we are aware.

Mr. McADAMS, of Indiana. There have been times within the last six months that we were 10,000 cars short in one day.

Mr. HILL, of Georgia. My colleague suggests that sometimes, perhaps, there might be a shortage on interstate business, but not on intrastate.

Mr. MORGARIDGE, of Pennsylvania. Has your state ever collected the penalty of \$5,000?

Mr. HILL, of Georgia. I do not recall that it has. We have just

ordered the attorney-general of our state to bring suit for a violation of one of our rules, under these circumstances: We have a rule of our commission which states that no station or depot shall be discontinued except upon request and order of the commission. At a little place called Pidcock, in the southern part of the state, the railroad wanted to change its line. Pidcock was one terminus of the road. It wanted to change that, to pull up their railroad there and take it up to another little town 2 or 3 miles distant. It did not apply to the railroad commission for that purpose, because of the fear that the citizens would go into court and ask the court to enjoin the railroad company from taking up that railroad. That was the excuse it gave the commission as to why they did not come before the commission and ask its permission to discontinue that depot before they did so. Now, on that violation the commission instructed the attorney-general of the state to bring a suit for the penalty. That is pending now. Just what the result of it will be we do not know.

Mr. MORGARIDGE, of Pennsylvania. Is the attorney-general required to bring suit upon your request?

Mr. HILL, of Georgia. He is required under the act creating the railroad commission to bring suit for a violation of any rule or order of the commission.

There is also a provision which allows the railroad to make restitution when the commission has the right to withdraw the suit. That has been done a time or two.

#### ILLINOIS.

(No response.)

#### INDIANA.

Mr. McADAMS, of Indiana. The commission of Indiana is only about eight months old, and it has been full of trouble during all that time.

We are not a part of the assessing board in Indiana, but having been engaged in the practice of the law for the past twenty-five years, I know something about the tax law. I want to make some suggestions on that subject. I think we have the best law in the United States. It has been in force now fifteen or twenty years. It proceeds in this way:

The executive officers are required the first of the year to make their report to the auditor of the state, a sworn report of their mileage, their income, bonds, stocks, their cars, and a general statistical report of their business. That board is made up of the governor, secretary of state, auditor of the state, and two special appointees selected by the governor, known as the board of state tax commissioners. They have charge of all common carriers, railroads, interurban railroads, telegraphs, express companies, and telephone companies whose lines

extend into more than one county. Our constitution requires all property to be assessed equally. That equality is arrived at by the assessor, who reports to the county. There we have a county board of review, consisting of three or four members appointed by the judge. They canvass the return and that goes to the state board at Indianapolis. The county board reviews each county and the state board reviews the state. Anybody assessed on a horse, a thousand acres of land, or a thrashing machine can appeal to the state board of commissioners. They can equalize every dollar's worth of property in the state, and they do sometimes elevate the counties, not only in the real estate, but the personal property.

Now, as to the corporation. We will clear up the question of the gentleman from Connecticut. Here is a town that has an elevated track. It costs thousands of dollars. The track is assessed for the whole state. When the value is arrived at, it is apportioned to the different municipalities, towns, and cities according to the miles within its territory. The elevated track cuts no figure. The physical property, depots, terminals, buildings, and freight houses are assessed to the locality. I do not see but that furnishes absolute equality as near as the state board can make it.

Mr. STAPLES, of Minnesota. Might it not be the case that a railroad company would pay anywhere from ten to twenty rates of taxation within your state?

Mr. McADAMS, of Indiana. I want to suggest that there is the greatest difference in the world between the valuation of property and rates. They have no connection with each other.

Mr. MEYER, of Wisconsin. On your system of valuation, do you not assume that one mile of road is as good as any other?

Mr. McADAMS, of Indiana. I think not, if the assessor is a sensible man and takes into consideration the facts. It was suggested awhile ago that it required a considerable expense to elevate tracks. As a matter of fact, the operation of the road after the track has been elevated is more expensive than it was before. Any state tax board or anybody vested with authority to assess that road that would assess it with the additional amount of that improvement ought to be turned out of office. It is presumed in these matters that a man will act sensibly and do the reasonable thing.

Mr. MEYER, of Wisconsin. If I understood the gentleman from Indiana correctly, he stated that the total value was considered on a mileage basis.

Mr. McADAMS, of Indiana. As to track and as to road.

Mr. MEYER, of Wisconsin. That is, you consider the total value of any one system upon a mileage basis, and that assumes that one mile is as good as any other.

Mr. McADAMS, of Indiana. Yes, sir; to that extent.

Mr. STAPLES, of Minnesota. The railroads might as a matter of fact, have ten, fifteen, or twenty rates of local taxation within your state?

Mr. McADAMS, of Indiana. So far as the rate is concerned, but the valuation is the same.

Now, with reference to the powers of the Indiana commission, I say we have been full of trouble. The first unwise thing our legislature did was to provide that an appeal should be taken directly from our commission to the appellate court of the state on a certified record, which, of course, all lawyers know was invalid. We were compelled to strike that down, and in retaliation we have been met with all sorts of attacks on the validity of our law.

We have no authority to compel corrections in physical conditions. We may inspect them and report to the governor, and I am satisfied that that will result in value, because my experience has been that publicity is one of the greatest correctors in modern legislation. We expect great good to come from that.

We have authority to investigate interstate rates on complaint. If we find the interstate law is being violated, we can report it, and if they refuse to correct it, it is our duty to complain to the Interstate Commerce Commission. We have now several questions of that kind to be determined. We think that possibly these complaints will be corrected.

Otherwise our duties, powers, and authority are about the same as those in their states designated as "strong commissions."

#### KANSAS.

Mr. ROBINSON, of Kansas. Kansas is acting under a new law passed at our last legislature, with some portions of the old law incorporated. It is one of the commissions quoted as a "strong commission." It makes rates, and no railroad is allowed to change a rate, either by raising it or lowering it, without the consent of the commission. It is given power to order any new depots wherever necessary, to take charge of crossings of railroads and wagon roads, of telegraphs, and of electrical lines. It has also the physical condition of the roads to look after. It has ordered in many miles of new steel which have been put in without appeal; but when it came to the rate question, making an effort to get on something approximating the rates of Missouri, Iowa, and Nebraska and contiguous states, the railroads appealed to the courts, as to the rates being too high, and as to the constitutionality of the enactment of the law by the legislature and also the constitutionality of the law itself. The interstate proposition is creeping in. There are appeals from our decisions in 70 cases in the federal courts and a number more in the state courts, none of which have yet been determined. There is no serious ques-

tion on the reduction. No reduction made by the board will be considered exorbitant. The board has been overcautious in making those reductions very moderate, and their object was to first get the constitutionality of the enactment of the law and of the law itself established and then it might hew closer to that line that the higher courts have said that we can not go beyond where they have a fair compensation for carriage. That is the main feature.

One feature of our law contemplated to regulate car companies, but in using the term "common carriers," the court has held that they are not common carriers, so they are outside of our jurisdiction, but they will no doubt be included by the next legislature.

We have no jurisdiction over electric or street car lines.

The amount of benefit to the state has been very large. It has kept the commission very busy. It has not a very large force. It is allowed only a stenographer, a secretary, and an attorney; but it believes it is on the road to do good service, when it gets a little further along.

#### KENTUCKY.

Mr. McCHORD, of Kentucky. I will ask that Kentucky be passed for awhile.

Mr. McADAMS, of Indiana. Mr. Chairman, while we are waiting for the Kentucky returns, there is a matter I want to refer to and that is the subject of reciprocal demurrage. That is something causing more agitation, I suppose, among shippers than any other proposition. The list of committees does not embrace that subject especially and I, therefore, move that for the next annual meeting there be appointed a special committee on the subject of reciprocal demurrage and that that special committee consist of Mr. Hill, of Georgia. And that if for any reason Mr. Hill can not attend that meeting, within the next few months that he prepare the report and have it ready to be there, because we want it and want it badly.

Mr. ROBINSON, of Kansas. Our law fixed a demurrage of \$1 a day after forty-eight hours when a car is loaded. It makes the same penalty on the railroad and on the shipper—\$1 a day after forty-eight hours. In ordering more than two cars, the time is extended. When they order a whole train for cattle, or something like that, it runs six or seven days. On the oil rates, that was taken out of the hands of the commission and it made a maximum rate of about one-half what it was. It is working very satisfactorily and has relieved the commission of a considerable burden.

The PRESIDENT. The motion before the convention is that Mr. Hill be appointed a committee to report on reciprocal demurrage at the next convention.

Mr. HILL, of Georgia. I hope the motion of the gentleman from Indiana will not prevail. I, of course, will be glad to do anything I

can along the lines suggested for the gentleman from Indiana, but I hope if a committee is created at all, it should be composed of at least the usual number of members.

Mr. McADAMS, of Indiana. It ought to prevail as it is. We have had a report from the gentleman from Connecticut. He said it was an individual report and it was one of the best that has come before the convention. I want to center the responsibility on Mr. Hill.

Mr. LAWRENCE, of Washington. I believe the suggestion to increase the number of members on the committee ought to prevail. I think the committee ought to be a regular committee and include demurrage as well as reciprocal demurrage, and while I think that Mr. Hill would stand preeminently as the most available man for chairman, I offer an amendment to the motion that a committee on demurrage and reciprocal demurrage be a committee of the usual number and that Mr. Hill be made chairman.

The motion as amended was carried.

Mr. GATES, of Connecticut. I do not wish to make a motion at this time, but inasmuch as a new subject has been suggested, I want to call it to the attention of the convention. If it seems advisable, I will make a motion before we adjourn for the creation of a new committee on the electrification of steam railways and the operation thereof by electricity. I do not make that motion, but suggest it. It is a live subject with us in the east and middle west.

Mr. ROBINSON, of Kansas. Could not you include in that the gasoline? In the west we are using gasoline more than electricity.

#### LOUISIANA.

Mr. BARROW, of Louisiana. I will say briefly that the powers and duties of the Louisiana commission are embodied in articles 283 to 289 of the constitution of the state of Louisiana, which have been printed in the former proceedings of this convention. I will, therefore, now refer only to those important subjects that have come up in the past year.

The first is the question of furnishing cars. Louisiana has a rule requiring railroad companies to furnish cars to shippers upon written order. The rule works as follows: The shipper is required to deposit \$5 for each car ordered and the railroad company is required to furnish one car at the end of ten days and one car every five days thereafter until all the cars ordered have been furnished. If ten shippers desire to ship from the same warehouse, each shipper may order cars under this rule at the rate before specified. If the railroad fails to furnish the cars as required by the rule, it is required to pay to the shipper a penalty of \$1 per day per car for each day it fails to furnish the cars.

We have had occasion to test this rule in the last two months. The case was this: A shipper living on the Morgan's Louisiana and Texas Railroad made written application for a certain number of cars for different shippers, depositing with the agent the \$5 required for each car ordered. The company failed to furnish the cars and refused to pay the penalty accruing under the commission's rule. The shipper reported this violation of the rule to the commission and the commission proceeded against the company to show cause why it should not be fined for the violation. The evidence was in favor of the shipper and the commission fined the company the minimum fine of \$100 for each of the offenses, amounting in total to \$500. The attorney-general was immediately instructed to sue the company for the collection of the fine and the case is now in process of litigation.

Mr. McADAMS, of Indiana. The commission has power to assess the fine?

Mr. BARROW, of Louisiana. Yes, sir; the railroad companies have generally observed that rule. This was the first violation, although the rule has been in effect about three years.

Now, as to the shortage of cars. There has been a shortage of cars in Louisiana during the season when the products are moving to market, but this has been overcome by the operation of the commission's rule. The principal shortage of cars has been among the lumber and rice mills who ship their products to distant points on lines which connect with the railroad on which a shipment originates.

We will have this subject up at the April session of the commission, when they propose to increase the amount the shipper must deposit with the agent to one-quarter of the freight charge on each car. The company will then be required to furnish the cars within ten days, and failing to do so, there will be a fine imposed for each day of \$25 for each car. That is the law in Texas.

Mr. McMILLIN, of Washington. Is your power to assess the fine for a violation fixed by statute?

Mr. BARROW, of Louisiana. It is a constitutional enactment.

Another question that came up during the past year and perhaps the most far-reaching of any that ever came before the Louisiana commission is the question of the difference between an export and domestic rate. There seems to be no precedent.

There are a great many buyers of staves and stave bolts in Louisiana who ship their product to foreign countries. They are accumulated in New Orleans. The buyer buys in different parts of the state. He unloads on the wharf and then reships to a foreign port. We found discriminations in these rates on interstate shipments. The commission reduced the rates in Louisiana, the local rates, to New Orleans to meet these discriminations. After the commission's

order reducing the rates went into effect, the shippers were instructed to have their shipments consigned to them at New Orleans and they receipted for the cars and paid the freight bills before ordering the goods to ship side. Following this rule, the shippers of the staves and stave bolts had their shipments consigned to New Orleans on local bills of lading prescribed by the railroad commission of Louisiana.

The railroad companies contested the order and the commission fined four railroad companies \$2,000 each for one violation, and the matter is now in court. The important point is this: Under our law, the attorney-general must collect the fine through the court. That is the only way we have to collect the fines. This matter came up in the federal court before the attorney-general filed suit to collect the fine in the state court. The federal court not only issued an injunction against the commission, but enjoined the attorney-general from filing suit in the state courts to collect the fine. So the question now is whether or not the federal court can enjoin the attorney-general from entering a suit in a state court to collect fines imposed by the commission. We intend to take the matter to the United States Supreme Court.

Those two points are perhaps the most important we have had to deal with.

The reciprocal demurrage applies in Louisiana. It has been in effect about five years. So far we have had no trouble. The railroad company is required to pay the shipper \$1 per day for failure to place cars for unloading after forty-eight hours, provided they have to move over only one road. If they have to be handled over two or more lines, at a terminal point they are allowed forty-eight hours for each line.

The following changes in the law are proposed, and we expect to have a majority of them passed at the next legislature in May:

First, we propose to fix a time limit when the orders of the commission shall be effective. We propose that to be thirty days, as in Wisconsin.

The second proposition is to require a bond from the railroad companies when they file a suit to set aside a rate order fixed by the commission. The present law does not require any bond, it only being necessary for a company to say that they are dissatisfied with the rate fixed by the commission. While we have not had a great deal of trouble about enforcing orders, the commission thinks this is necessary.

The third proposition is to make pipe lines common carriers. We have a great many pipe lines in Louisiana on account of the oil industry developed there in the last few years and also for the transportation of molasses and sirups.

Fourth, it is proposed to make a special appropriation for the

employment of counsel in cases where the commission find it necessary to investigate. This will be expended under the control of the attorney-general, who will have power to employ additional counsel when necessary, and pay the costs in suits.

The fifth amendment we propose is to give the commission power to require railroads to build spur tracks to private industries. We have no such law in the state. A great many of the roads in the state now have spurs to the sugar houses and rice mills off their lines. There has been some discrimination in this respect. They refuse to put these spurs in for certain shippers. The supreme court of our state held that our commission could not require spurs to be built, except when they were appurtenances of the depots.

The last recommendation is to ask the legislature to give the Louisiana commission power to appear before the Interstate Commerce Commission in all matters in which they are interested.

THE ASSISTANT SECRETARY. May I ask if there has been any discussion in Louisiana as to the constitutionality of making pipe lines common carriers?

MR. BARROW, of Louisiana. No, it came somewhat in the nature of a surprise to the commission. The Texas law makes them common carriers. They are under the jurisdiction of the commission, but if we find they can not be called "common carriers," we will frame the law to place them under the control of the commission as corporations, like sleeping car companies. We do not pretend to say that a sleeping car company is a common carrier. We will use the same method as to pipe lines.

MR. MCADAMS, of Indiana. I would like to ask the gentleman from Louisiana a question, and that is, what has his experience been in trusting all the litigation to the attorney-general's office? What would be your notion if the commission were empowered to employ its own counsel?

MR. BARROW, of Louisiana. I could only give an opinion on that. We have had no experience. Our constitution makes it the duty of the attorney-general.

#### MAINE.

MR. SPOFFORD, of Maine. One of the recent laws in Maine is the statute that requires, before the bonds of an electric railway—I do not know whether it includes steam railways or not—can be made legal for the investment of savings banks, the railroad commissioners must certify from what they can learn from the accounts of the road that 33½ per cent more has been actually expended in construction than the amount of the bonds.

The fact is that our duties consist very largely in action on the inauguration and construction of new roads, the granting of charters

under the new law, the inspection of the roads and everything in connection with crossings, whether they shall be grade crossings or otherwise. Those things are under the jurisdiction of our commission.

## MASSACHUSETTS.

Mr. BISHOP, of Massachusetts. I do not know of anything very recent. I will be pleased to send anybody a copy of our railroad laws as compiled and they could probably get the information quickly in that way.

## MINNESOTA.

Mr. MILLS, of Minnesota. The laws in regard to the commission in Minnesota were fully compiled and reported at the last convention. They may be found in the report of the proceedings of that convention and I hardly think it is worth while now to take time to enumerate them.

I will say, however, that a sort of innovation on the general railway laws was adopted by our last legislature, in which they require that in every change of classification, whether it lowers or raises the rate, or in the case of every rate raised or lowered it had to be done on an application by the carrier to the commission and by an order of the commission allowing it. That has been in operation now for a year and over, and we find that it brings the commission and the carrier nearer and nearer together. We know now just what is going on in reference to the classification and in reference to rates, and generally the carriers are satisfied with it and say that it is a very wholesome provision in our law.

## MISSOURI.

(No response.)

## NEW HAMPSHIRE.

Mr. WHITEMORE, of New Hampshire. Last year was an off-year of our legislature; therefore, there is absolutely nothing in the shape of new legislation.

## NEW YORK.

Mr. DICKEY, of New York. On behalf of the New York commission, I would be very glad indeed if the gentlemen will leave their addresses with the secretary, to have sent to each of those who desire it, and who are not now getting it, the annual report of the state railroad commission of New York for the year 1905, which was published, I think, two weeks ago. That will give them a very much better idea of what has been done than I could give in a brief résumé.

## NORTH CAROLINA.

Mr. McNEILL, of North Carolina. We have had no amendments since the last session.

## PENNSYLVANIA.

Mr. BROWN, of Pennsylvania. There has been no particular change in the laws of Pennsylvania since we met a year ago.

I will say that important matters are before the people of Pennsylvania and somewhat before the whole country, and one of those is with reference to the power of common carrier corporations to enter into the mining business. That question came before our department some time ago, complaint being filed against the Erie Railroad, charging it with being engaged in the mining business. It was on this account: The Erie Railroad Company owned practically the entire stock of the mining company. Our constitution says that no common carrier shall directly or indirectly engage in mining, but the supreme court of Pennsylvania decided that, where a railroad company owned the stock, often to the extent of its entire ownership, of a mining company, it was not directly engaging in the mining business.

Now, some time ago complaint was made against the Buffalo, Rochester and Pittsburg Railroad Company, and in the complaint it was alleged that it was engaged indirectly in the mining business in the ownership of the Buffalo, Rochester and Pittsburg Coal and Iron Company. That complaint came before me. I had to be controlled in my decision in the matter by the decision of the supreme court, but at the same time it seemed to me that, as a matter of fact if not of law, where a railroad company owns the entire stock of a mining company and that mining company is engaged in the mining business it is pretty near the danger line, if it has not passed the danger line.

Another question that has come before us is the legality of the refund in the mileage book. I will send the members of the commission a copy of my opinion in that case. That will go to the supreme court of Pennsylvania, and as to the constitutional questions, which are raised and discussed there. The constitution seems to indicate that there shall be no discriminations and no rebates.

My own idea is, as indicated by that opinion, that the holding up of \$10 on every purchaser of a mileage book, with a refund in case he is very good in the use of it, is practically a violation of our constitution. What the supreme court will say I do not know.

## SOUTH CAROLINA.

Mr. WHARTON, of South Carolina. There is nothing new since our last session.

## SOUTH DAKOTA.

The PRESIDENT. There is nothing for South Dakota, except one thing. The South Dakota board is now under injunction on our jurisdiction in regard to its control over express companies. We have a matter up with the United States Express Company. In the

first hearing before the federal judge, he did not decide the case, but allowed us to go ahead. The decision as to our jurisdiction is pending. We, as a commission, always claim jurisdiction until turned down by higher authority.

VIRGINIA.

(No response.)

WASHINGTON.

Mr. LAWRENCE, of Washington. I think this is one of the most interesting features of the programme. It is almost equal to visiting another commission and learning something of what they are doing. I think we ought not to slight this feature at any future convention or at the present one.

The State of Washington has one of the newest commission laws, one of the best, and one of the biggest commissions. I think the aggregate weight of the three commissioners and secretary present here is nearly 900 pounds.

One of the features of the Washington law, dissimilar from others mentioned here—and I think we have nearly every power that has been enumerated on this floor—is that provision prohibiting the issuance of free transportation. It is more absolute than in any state, in that it forbids the issuance of free transportation to private individuals as well as public officials. The commission is enforcing that provision with the cooperation of the railways by requiring them to report to the commission a list of all free transportation authorized, which would be transportation to officers and employees of railways—it being limited to that—and some charitable and eleemosynary institutions. That is done as a matter of publicity, so that if any state or county officer or politician wished to pass as a railroad employee for the purpose of receiving free transportation that would be soon known.

While visiting the Texas commission recently, I was given some interesting information by the statistician of that commission. They had secured a report from the railways of that state, where free transportation is permissible, showing not only a list of persons to whom it was granted, but the mileage actually traveled. I went back to their office the next day and asked for the information again, because I did not want to trust my memory in putting it down. I did not want to get my millions and thousands mixed up, and I was rather surprised to have a confirmation of my impression of the total mileage. A few of the roads had not reported, and the amount was not quite the full amount. It was a little in excess of 100,000,000 miles of free transportation, which included transportation of railway officers and employees. If you separate from that aggregate the amount that would not have been permitted in Washington, it would

have aggregated at 3 cents a mile a little over a half million dollars less of revenue. As I said, the state of Washington has the most stringent prohibitive law along that line of any state I know of, and the commission intends to rigidly enforce that with the cooperation of the railways, and I want to say in this connection, without reflecting in any degree on the railroad officials of any other state, that I do believe we have about as broad minded, liberal men in charge of the transportation companies in Washington as there are in any other state. They have cooperated with us on some complex questions.

One question was the joint rate question. I do not know that there is another state situated like Washington on the joint rate question. Bearing in mind the geographical location of Washington, with Oregon on the south, separated by the Columbia River, with Portland, the terminal of one of the largest railway lines in the state of Washington and Oregon as well, which reaches into the wheat belt in eastern Washington, the conditions were, as the commission found on its organization, that the farmers tributary to this line of railway were compelled to ship their product to Portland, Oreg., the adjoining state, when the market conditions at the ports on Puget Sound were very much better and the prices obtained very much better, amounting to \$1 to \$2 a ton on oats, barley, hay, and mill feed and 1 to 5 cents a bushel on wheat. The conditions at that time were brought about by the competitive feeling between the Harriman interests and the Hill interests; they refused to interchange without charging a local rate to the points of interchange of the traffic. The commission regarded that as an unjust practice on the part of the railway companies, and after a hearing, made an order for a joint rate, except on wheat, on which an order is expected to be made shortly.

The result has been, not only to give that additional amount of \$1 to \$2 a ton on different products and from 1 to 5 cents a bushel on wheat, but it has compelled the prospective building of a new trans-continental line to Puget Sound, for the reason that one railroad company could not afford to be short hauled and is compelled to reach the ports of Puget sound in order to carry the products originating on its own lines to their final destinations.

We have not undertaken any real rate-making power. Realizing the vast importance of the exercise of the rate-making power and believing fully in having that power as a part of the power of the commission, it forming really the stinging end of the business of the commission, which could be used always to enforce any reasonable order we might make, our conception has been that we would first remove the little particles of sand and gravel in the shoes that caused the irritation rather than to attempt to grade up the roads of the state at the beginning. We expect later on, as we become competent, to take up the matter of rates as soon as we feel that we are qualified to do so.

## WISCONSIN.

Mr. BARNES, of Wisconsin. The Wisconsin commission law, like that of Washington, is new, and I will try to run over briefly the material provisions of the law.

In the first place we are given jurisdiction over steam roads, over electric lines of roads that operate outside of the incorporated cities and villages, over street-car companies, express companies and private car lines.

We have under our law the authority to adjust or fix rates charged, either on complaint or on our own motion.

We have jurisdiction over the service of the railroad companies in all that can imply, taking everything in connection with the operation of railroads, the frequency with which trains are run, the cars run on trains, the depot accommodations and crossings, and all that sort of thing.

We are also given by our law power to make rates and to make joint rates where the railroads refuse to make them.

Our law is very strong against rebates and discriminations, and the commission is instructed and directed by the terms of the law to enforce its provisions in that regard.

One of the most important provisions, I think, in our law, relates to the inspection and examination of the books of accounts and vouchers and memoranda in the possession of railroad companies. I think this has been very much of a stumbling block to many commissions in the way of getting accurate and complete knowledge of the things a commission ought to know in order to intelligently touch the rate question. We are empowered to demand anything we want or make any inspection we desire, and I want to say in connection with that, that we have been treated very courteously by the railroad companies in the matter of securing information called for in that way. We can either call for the production of books and papers in the state, submit questions that we want answered, or go to the offices themselves and make a personal inspection.

Mr. McADAMS, of Indiana. Does that provide immunity of the railroad company for anything discovered by that examination?

Mr. BARNES, of Wisconsin. There is an immunity provision in the statute. Of course, that extends to the matter of prosecutions for forfeiture where the information is obtained under duress, so to speak, or by virtue of that statute; but I do not regard that immunity proposition as such a serious one. There are just two ways practically that you can discover a rebate: One by the railroad telling of it and the other by the fellow telling of it that gets the rebate, and neither one of those is going to tell. The only way you can find it out is by going to the books of the railroad company and making a thorough investigation. You let the railroad company out that way,

but not the other fellow, and you catch one of the two by proceeding in that way. By not proceeding that way, you do not catch either of them. And the fellow that sandbags the railroad company for a rebate is as guilty as the railroad that gives it and should be prosecuted as vigorously as the railroad itself. It would be a good thing to take in both of them, but you can not get them both in practice.

Mr. McADAMS, of Indiana. But you catch the corporation.

Mr. BARNES, of Wisconsin. You catch the shipper.

Mr. McMILLAN, of Washington. With that information, could you not follow up the shipper?

Mr. BARNES, of Wisconsin. You can always catch the shipper. You do not ask him for information.

Mr. YAPP, of Minnesota. Do you have jurisdiction of taxes?

Mr. BARNES, of Wisconsin. We have nothing to do with taxes. We have a body that takes charge of that. It is a big enough proposition to occupy the attention of one commission.

There is a penalty provided in our law for the failure of the carriers to follow out the terms of an order. In addition to that the commission is empowered to proceed in a court of equity by injunction to compel the railroads to perform the conditions of the order in the case of their refusal so to do.

We have a provision in our law that within a certain period of time the carrier may bring action to test the validity of any order made by the commission and that no preliminary injunction is to issue suspending the operation of the order except on notice to the commission, and then it is not to be issued unless it is made to appear to the court that the order of the commission is probably in excess of its jurisdiction or is unlawful. That is, the idea is to prevent this grabbing for preliminary injunctions, as a matter of course, and to provide that they shall be issued only where the other side has had an opportunity to be heard and to present its case in court, and then, unless it makes a reasonably clear showing that it is entitled to the relief asked, the law says that the preliminary injunction should be denied.

The PRESIDENT. But there is no penalty during the pendency of the application for that injunction, is there?

Mr. BARNES, of Wisconsin. Not if the court grants the injunction. There is no penalty during that time; and our law does not provide for any deposit during the time the order of the commission is being suspended.

The trouble, I take it, with that requirement is that the fellow does not get the money if the order is finally sustained. The shipper is not the fellow that eventually pays the freight. It is the consumer. The shipper is going to regulate prices so as to take care of himself in the event of the worst happening, and he is just so much ahead if the order of the commission is upheld. He is getting something that is a windfall.

In our state, the attorney general is the law officer of the commission; but the commission has authority under the law to employ special counsel and employ whoever it sees fit, and to audit and pay from the state treasury the expenses of the counsel employed.

We have nothing in our law on the subject of reciprocal demurrage, which has been talked about a good deal here and which I learn has operated quite satisfactorily in some of the states. I do not know how that proposition is going to work out when you come to apply it all around.

If each state passes a reciprocal demurrage law and then Congress passes a reciprocal demurrage law, it will be up to the carriers to provide cars enough to take care of all business under all circumstances and conditions, which, to my mind, seems an utterly unreasonable thing to do. You have in the wheat fields in Dakota and Minnesota in the fall a traffic that it seems to me it is utterly impossible to take care of as fast as the demands of the shippers require. That is, the rolling stock would be entirely insufficient for the particular purpose of an exigency of that kind that would be reasonably sufficient for the rest of the year, and it seems to me it is not a one-sided question altogether to say that this reciprocal demurrage is a good thing. It is apparently working all right in some states. It may be that where a state has a uniform traffic for a considerable part of the year or nearly all of the year that it is going to work all right, but where the traffic is extremely dense at times and light at times, it seems to me that it means that the railroad company has to invest an unreasonable amount of money in motive power and rolling stock and provide an unnecessary and unusual amount of side tracks to take care of it when it is not in use. I am glad that that question is going to be discussed here, because my own idea is that while it looks fair on the face of it, I do not regard it as being an entirely one-sided question.

I think we have in our state fully as strenuous an antipass law as they have in Washington. There are no passes allowed under the Wisconsin law, except to railway employees and to officers and employees of other railroads, and to certain persons connected with charitable and eleemosynary institutions, and a few excepted cases of that kind. The limitation is very marked, and the tendency is to even restrict the giving of passes a little more than it is now. The amount of passes issued is reported annually to the commission, or as often as they require, and as a matter of fact, instead of annual reports, we are asking that the amounts be sent in monthly. There is a provision in our law that not even the railroad employee can hold office and a pass at the same time. He may hold office if he desires to, but must surrender his railroad pass. A newspaper man using newspaper mileage can not hold office and use his mileage. He can advertise all the railroad wants him to advertise, but he is supposed

to do it on a cash basis, the same as every other advertiser. In other words, the law shuts off everything that looks like a gratuity as far as a public officer is concerned.

Now, there is one thing I want to call your attention to before closing, and that is a little something in reference to our actual experience. I have found that one of the principal benefits, or one of the large benefits, derived from a railroad commission is the opportunity of getting together the representatives of the railroad company and the shipper, where they can sit, one on each side of the table, and talk of their grievances across the corner and each one can listen to the other's arguments. When they argue at long range—carry on the arguments at long distances—they are not very apt to be temperate at all times or apt to get deep into the discussion. We have found it very useful, if it is a freight matter, to get the freight manager, or somebody connected with the traffic department, into our office and get the shipper that is making the complaint in there and talk matters over and let each fellow explain his views, and in that way we have got at a speedy and reasonably satisfactory settlement of many matters that would cause a great deal of friction if an attempt were made to handle them in any other way.

Mr. McCHORD, of Kentucky. Do you require the shipper or the complainant to go to the capital or do you visit the point where the complaint has arisen?

Mr. BARNES, of Wisconsin. Ordinarily we have them come. If there is any particular reason for not doing the work that way, we have the right, and sometimes exercise it, of going to the place where the trouble arises. But that is only where we make an inspection of the place. Ordinarily they come to us.

Mr. McADAMS, of Indiana. We were all boys at one time, and I suppose we all remember the fact that we were a good deal better boys when our father was at home than when he was away. I want to inquire of the gentleman from Wisconsin what has been the silent effect of the law—that is, what has been the restraining effect on the railroads where there has been no complaint filed?

Mr. BARNES, of Wisconsin. We have not been in operation a very long time. We have had a sort of feeling that a good many things were being taken care of a little more promptly, perhaps, than they would be if there was not a commission, although we have not a very definite means of knowing about those things. We think there is, for instance, less of this holding up of little claims against railroad companies for overcharges of various kinds than there was formerly.

Mr. McADAMS, of Indiana. The operation of the demurrage law has been more fair and equal since you have had a commission than it was before, has it not?

Mr. BARNES, of Wisconsin. The demurrage rule has been very satisfactory to Wisconsin shippers. They were inclined to kick on it at first, but afterwards they realized that it was a good thing for the railroads and for the shippers themselves. I think they appreciate the spirit in which the demurrage rule was adopted. It was to keep the cars moving. While, perhaps, some of them would have a tendency to kick once in a while, still I think it has been very satisfactory on the whole to the shippers.

Mr. McMILLIN, of Washington. I want to ask the secretary if that completes the roll call?

The ASSISTANT SECRETARY. We have one further report. It comes from the state of Ohio, which is not represented here to-day. It is in the form of a letter to the Secretary of the Interstate Commerce Commission, and says:

The legislature of Ohio has just passed an act known as "House bill 78," entitled "An act to regulate railroads and other common carriers in this state, create a board of railroad commissioners, prevent the imposition of unreasonable rates, prevent unjust discriminations, and insure an adequate railway service."

The rest of the letter goes on to request copies of our form of report.

I state this now in this connection to show that the state of Ohio has established a railroad commission.

Mr. LAWRENCE, of Washington. I desire to offer a motion or resolution in connection with these various reports and before the conclusion of this order of business, to this effect. I have found out from a number of commissions I have had the pleasure of visiting, a great many matters of which I had no knowledge before, and it was due to the fact that the custom does not prevail among the different commissions of sending to other commissions a great many interesting things in the way of decisions and special forms and those special matters that come up that would be of interest to other commissions, and I believe we could do nothing better than to agree here that we will, whenever anything special comes up that we have printed for distribution, be very careful to have on our mailing lists all the commissions in the United States, so that we can interchange these things, and I move that this be adopted as the sense of this association.

The motion was carried.

The ASSISTANT SECRETARY. In the roll call of states some states have been passed. If any of them desire to continue on the subject we have had under discussion, this might be a proper time.

Mr. McCHORD, of Kentucky. Kentucky has nothing to report, except that a recent act of our legislature gave the Kentucky commission additional clerical force and provided that the railroads should

provide transportation and the railroad commission should use it. The commonwealth now defrays the traveling expenses of the commission, but under the act that has been passed the railroads are required to furnish for the use of the railroad commission transportation to the commission when on official business. With that exception, we have had no new legislation in Kentucky. I might say that until a year or two ago we were tied up by injunction in the federal courts. Our power to make rates was challenged by a number of railroads in the state and a perpetual injunction was granted by the district judge in Louisville. It went to the United States Supreme Court and they gave our law a certificate of good character, and we have been until the past twelve months thrashing out isolated complaints. There has been a vast accumulation of these complaints, but several months ago a general complaint was lodged with the commission challenging rates to and from all points on all railroads and all commodities in the state, and we have been engaged for some months on that investigation. We have adjourned temporarily to look into the data furnished by the railroads and we expect to resume that hearing about the 10th of this month. So the lion has not yet laid down with the lamb in Kentucky on the question of freight rates. I do not know how we will come out, but we are proceeding cautiously and endeavoring to ascertain the truth.

I believe our law is somewhat different from that of other states. When complaint is made to the railroad commission that a rate is unjust and unreasonable they shall hear the carrier or complainant, or they may, on their own motion, when they have reason to believe that a rate is unjust and unreasonable, order a hearing, and if after such hearing they conclude that such rate is unjust and unreasonable, it becomes the duty of the commission to fix a just and reasonable rate by which the carrier is bound, and the notice goes, and ten days thereafter they must charge a rate not in excess of the rate fixed by the commission, and if they charge a rate in excess of the rate so prescribed they are liable to indictment. The agent who collects it and the corporation itself are liable to indictment and to fine of from one thousand to five thousand dollars for each offense.

We have a right to call on the attorney-general for his services when we need them. In a case now pending we found that he was overwhelmed with work and we have been, on recommendation of the attorney-general, furnished with special counsel.

It is also our duty to prosecute complaints before the Interstate Commerce Commission in the name of the Kentucky commission. If a complaint of an interstate rate is made to the Kentucky commission, we hear it, and if we conclude that it is well taken we file a complaint with the Interstate Commerce Commission and prosecute it there.

It is our duty to tax the tangible property of the railroads.

I do not recall anything else that would be of interest further than that.

Mr. McMILLIN, of Washington. I move that a committee of five be appointed to designate to the convention the time and place for holding the next annual convention.

The ASSISTANT SECRETARY. I would not oppose my friend from Washington for anything, but every year that this subject has come up and been referred to a committee the committee has had more trouble than the convention, and the committee can no more agree than the convention can agree.

I understand that there are at least four places seeking for the next convention—Seattle, Chicago, Norfolk, and Washington. Now, any committee of five that you appoint would likely be swayed by their individual wishes in the matter, and I assume that each of the four cities seeking the next convention has its partisans in this convention. We can determine the question of where the convention will next meet fully as intelligently and fully as quickly if we leave it to the convention itself, and we can not determine the time until we have determined the place.

I want to amend Mr. McMillin's motion, if I can, by this motion: That the question of the time and place for holding the next convention be made the special order for consideration by the convention Thursday morning at the opening of the session.

Mr. McMILLIN, of Washington. I do not wish to occupy the time of the convention in discussing this matter at all, but it has been the practice of the convention in former years, as stated by Mr. Decker, to appoint a committee for the purpose of considering the very propositions which he has suggested, and to save the time of the convention from the lengthy discussions on this subject. It is apparent to us now that we have none too much time to consider the important questions that will come before this convention in the reports of the different committees. We are going to be short of time, and it was my thought that we would accomplish a great deal in the way of saving time by having a committee consider these things and make a report. After the report the subject, of course, will still be in the hands of the convention. My suggestion was simply to save the time of the convention in thrashing out a great many questions that the committee could attend to.

Mr. DUNCAN, of South Carolina. I was here at the first convention ever held. I have been connected with the railroad commission of South Carolina for twenty-three years. It does not make any difference what this committee brings in, you are going to have the fight right here. Let it come right up and settle it before the convention. The very first time it was moved from Washington City—I do not know whether any of you were here or not—we had the same fight.

We held the first three conventions in this city and the next one was moved to St. Louis. I think you had better let it come up here Thursday morning and meet it squarely and settle it. Some one will make objection, no matter what place the committee recommends. Then the fight will commence.

The ASSISTANT SECRETARY. You recollect that two years ago when the committee came in there was such objection that the committee went back and substituted another time and place. It has always been a difficult matter. It has always been a subject of difficulty. It has always been one that had to be settled on the floor of the convention, where we could all take part in the discussion and hear and fully understand the views of everybody.

Mr. McMILLIN, of Washington. I have no objection to its being fully considered by the convention. I hope it will be at the proper time, but I thought we would save the time of the convention to do it in the way I suggested.

The motion, as amended, was carried.

Mr. GATES, of Connecticut. I move that we now adjourn until 9.30 o'clock to-morrow morning.

The motion was carried and, at 1.20 o'clock p. m., the convention adjourned until 9.30 o'clock a. m., April 4, 1906.

### THIRD DAY'S PROCEEDINGS.

WASHINGTON, D. C., *April 4, 1906—9.40 a. m.*

The PRESIDENT. The convention will please come to order. We will now take up the question of taxation.

Mr. MEYER, of Wisconsin. I have nothing to offer, unless there are some questions in regard to that resolution, except to say that I am in favor of passing it, and if a motion to that effect is in order, I am willing to move that the convention adopt the resolution.

The resolution reads as follows:

*Resolved*, That it is the sense of this association that the Congress of the United States authorize and direct the Interstate Commerce Commission, or some other department of the federal government, to ascertain the inventory value of all the railways in the United States, and to fix the valuation of the railroad property of each state separately.

The resolution was adopted.

Mr. GATES, of Connecticut. I move that the matter of valuation and taxation of railroad properties be continued to the next convention.

The motion was carried.

The PRESIDENT. Report of the committee on uniform classification.

Mr. MILLS, of Minnesota. The report of the committee on uniform classification is as follows:

*REPORT OF COMMITTEE ON UNIFORM CLASSIFICATION AND SIMPLIFICATION OF TARIFF SHEETS.*

Ever since 1893, whenever the National Association of Railroad Commissioners have had under consideration the question of uniform classification, a large majority of its members have expressed themselves in favor of it—indeed their expressions have almost been unanimous. Every shipper, every commercial body that has ever considered the subject has favored it.

Your committee has been in correspondence with nearly every traffic manager in the United States, asking them as to the desirability and practicability of the adoption of a uniform classification throughout the United States and Canada, and in every case has been advised that a uniform classification was highly desirable, and statements are frequent that the classification as it now exists tends to cause discrimination through misunderstanding on the part of the railroads and shippers.

An example of the injustice and absurdity of the classifications as they exist is given by Mr. Ives, general traffic manager of the Wabash System, in which he says:

The classification on various commodities between East St. Louis and Quincy, Ill., is entirely different from that applying between St. Louis, Mo., and Quincy, and this can only be equalized by making commodity rates on everyone of the various articles. In some cases the rate from Terre Haute, Ind., to Rock Island is lower than it is from Keokuk, Iowa, because of the difference in classification.

Your committee believe that it would not be justified in taking up the time of this convention by calling attention to cases of inconsistency in the different classifications, or the injuries resulting therefrom. As it is conceded by all that a uniform classification is desirable, the only debatable question is its practicability. Those who think that it is impracticable claim that it would disturb the existing order of things; unsettle business conditions, and might lead in some sections of the country to a reduction of rates that would affect the revenues of the carrier; and in other sections increase the rates and create dissatisfaction with the shipper.

Of course, a uniform classification must be made liberal, exceptions provided for, and commodity rates allowed so that the interests of different sections of the country can be taken care of. And, as stated by Mr. Grammer, vice-president of the New York Central lines, in a letter to the chairman of the committee: "A uniform classification would not necessarily mean a uniform rate per mile; but if we had a uniform classification, the rates could be adjusted in the various territories so as to enable every shipper and carrier as well to understand what it meant when we came to make a through rate on any article as between railroads."

And in many respects it would be very valuable, and your committee believes that a uniform classification could be made by a proper committee of traffic officials, or by the Interstate Commerce Commission, that would in no way interfere with the business conditions of the country, and would be of inestimable value to the country.

But we are further of the opinion that this duty should be imposed upon the railroads; it will never be accomplished, however, unless they are required to do it by national legislation. In this regard your committee desires to quote from a letter received from a prominent traffic officer of one of the transcontinental lines, who desired his communication should be treated confidentially. He says:

It seems to me that it would be possible for the railroads to meet in this matter upon some common or compromise ground, and thus be able to merge the three separate classifications into one, which could be made uniform and universally applied. Let a committee be appointed, if you please, representative of railways serving the three respective sections of the United States, under instructions to pursue a give-and-take policy; take plenty of time for their deliberations; take necessary testimony from traffic men as well as shippers drawn from every section of the country. I believe it would culminate in the adoption of a uniform classification. That committee should be composed of the most talented traffic men of the country, spurred to action by the assurance that they must reach results; I believe they would find a way to do it.

The states should join in the classification and provide for special cases peculiar to their territory by commodity rates; and if it becomes necessary for states to reduce local rates, this should be done by reducing the rate on the class rather than disturbing the classification. Your committee would recommend the adoption of the following resolution:

*Resolved*, That it is the sense of this convention that Congress enact a law requiring the railroads engaged in interstate commerce throughout the United States, within two years after the passage of such act, to prepare and adopt a uniform classification of freight articles; and in case they failed to do so within the time required that the Interstate Commerce Commission at once proceed to make such classification and when so made by such Commission, the same shall be the legal classification for interstate shipments.

That the secretary forward a copy of this report to the Senate and House of Representatives, and call their attention to the former reports of this association on this subject.

Mr. MILLS, of Minnesota. I am glad to see that an effort is now being made by the Commercial Association of Chicago to secure uniformity in the three classifications that center in that territory; and from an article that I saw in the paper just before I left home, they hope that such results may be accomplished. If it should be, that will be a great help along this line. I have been a member of this committee ever since 1894, excepting for two or three years, I think, and so far very little has been accomplished excepting the agitation, and I am a firm believer that if we keep the agitation up we will eventually be able to secure a uniform classification throughout the United States, or at any rate the conditions as they exist to-day will be a great deal better.

I have also a statement on simplification of tariff sheets, prepared by our assistant secretary, who is quite familiar with rate sheets, and which he intended to submit to another committee, but seeing that that duty is imposed upon our committee, he kindly handed it to me, and I will read it.

#### SIMPLIFICATION OF TARIFF SHEETS.

Your committee think it might be well to call attention at this time to the question of simplification of tariff sheets. From an examination of a large number of tariffs, we are forced to the conclusion that it is a very difficult matter for even those skilled in handling tariffs to find at times what they are looking for without a great deal of trouble, which might be obviated if the railroad companies would endeavor to adopt some system or method which would have the effect of making a tariff simple to understand. It is perfectly safe to say, that if some of the tariff sheets were placed before the traffic officials themselves, it would take considerable time for them to find out just what they were looking for; and if this difficulty is so apparent to those who are responsible for their compilation, what must it be to the laymen or the general public who desire to examine these tariff sheets for their own purposes? Another feature suggests itself to us, which no doubt would do away with the issuance of such a large number of tariffs if adopted: Why could not exceptions to rules and classification, stopping cars in transit, milling in transit, storage charges, demurrage charges, switching and other miscellaneous items, be placed in a book or sheets by themselves instead of inserting some of them in commodity or merchandise tariff sheets? Frequently merchandise rates are put into commodity tariffs, and vice versa; so that if not thoroughly familiar with tariff sheets, one does not know exactly where to find what is needed without much time being spent in searching.

The making of tariff sheets has been evolved; and if in a complicated condition to-day what they will be ten years hence it is hard to conceive.

Mr. MILLS, of Minnesota. For the purpose of discussion of this question, I move the adoption of the report.

Mr. ROBINSON, of Kansas. Uniform classification would do away with a great deal of the complexities that now exist. We see that the same commodity may go up on one side of the Mississippi River several hundred miles for less than one-half the rate it can go up on the other side of the river, merely because the classification is different. We see also that in many cases when traffic crosses the Mississippi River the rate is doubled and trebled. I would like to refer to an instance of one carload of well-drilling machinery which went to St. Louis on the official classification and was reclassified there and put in three cars. The machinery had come to St. Louis in one car, and it more than trebled the cost of that shipment, and it took more than sixty days to get it to the point of destination. So that uniform classification would do very much to simplify the rate sheets. The cost of transportation and the classification have nothing to do with each other. It is merely saying which classification it shall go in, and the rates may be made independently of that. The cost of the article is largely on the capacity or bulk that it is shipped in.

I presume that before our board there have been as many complaints and as many requests by the shippers and by the railroads for change in classification as any other board, because they would compress a commodity; they will take a commodity of some kind, a machine possibly, and make it more bulky than it is at the present time; they compress a greater weight into less space, and they come and ask for a change in the classification, because it is more convenient to handle.

Now, we do away with that great complex thing in the rate by classification, and I think there is nothing before the shipper in this country to-day of more importance than the proper classification and uniformity all over the country. It does not stop with these lines; it goes into Texas, where they have classifications of that state. I understand that in Illinois there is a state classification; and when we take those complex classifications, and then run into the state classifications, a man practically does not know what the rate is going to be until he gets the commodity and pays the bill.

Mr. YAPP, of Minnesota. From a railroad standpoint, I should think it would do away with thousands of unnecessary overcharges, if a uniform classification were adopted.

Mr. STAPLES, of Minnesota. I think the report should be adopted. I also agree with Mr. Robinson, to a certain extent, that the uniform classification would in a measure solve the question of the simplification of rate sheets, but it will not solve it by any means, and it does not seem to me that the adoption of this report properly disposes of that phase of the question. There simply has been a paper

read which opens up that subject, and my opinion is that that subject more properly belongs to the committee on rates and rate making. And before the adoption of the recommendation of the committee, I move that the paper read upon the question of the simplification of rate sheets be referred to the committee upon rates and rate making for the next session of the association. I believe that it more properly belongs to that committee.

Mr. MILLS, of Minnesota. I will consent to that.

Mr. MEYER, of Wisconsin. Does the other motion refer to the reference of this matter to the committee on rates and rate making, or only to the report of the committee?

The PRESIDENT. The question, as I understand it, is to adopt the report of the committee, and also to refer the subject of simplification of tariffs to the committee on rates and rate making.

Mr. MEYER, of Wisconsin. I am quite in sympathy with the idea of separating the two, because they are two distinct subjects.

The report of the committee on uniform classification was adopted and the paper on the simplification of tariffs was referred to the committee on rates and rate making.

The PRESIDENT. We will now take up the report of the committee on the amendment of the act to regulate commerce.

Mr. HILL, of Georgia. Before proceeding to read the report of the committee, I ask your indulgence for a word of explanation. Shortly after this committee was appointed it was suggested that the committee appear before the committees of the Senate and House of Representatives of the Congress of the United States to advocate such legislation as had been previously recommended by this association. I immediately wrote to the members of the committee asking them to hold themselves in readiness to appear before these committees, when I should have arranged for a hearing. I also took up the question with the Congressman from my district and requested him to make a date for the committees of both House and Senate at which our committee might be heard. He wrote me in reply that in all probability the bill, then pending in the House, known as the Hepburn bill, would pass and practically have the unanimous vote of the House of Representatives; and very shortly thereafter it did pass. Pending negotiations for a hearing in the Senate, the Senate committee reported the same bill without amendment.

Perhaps I ought to say further in this connection that, in response to the letters that I wrote to the different members of the committee, I had a suggestion from one or two of them requesting that this hearing be had immediately preceding the meeting of the association, as the membership of the committee was widely scattered, from Vermont to Washington and from Iowa to Georgia, and as they could, in all

probability, not make two trips, they desired to appear before the committee of the Senate and this association at about the same time. So that accounts for the fact that this committee did not appear before either the House or the Senate committee.

One other suggestion, and that is as to the report itself. I had lost sight of the fact that these reports had to be in the hands of the secretary of this association thirty days before the convening of the association, and when my attention was called to it, I in a hurried way prepared a report which I sent members of the committee with the request that they criticise it and make such suggestions as they thought proper. It had been my purpose to get these suggestions before the report was drafted.

Since the meeting here there has been one change; the last paragraph of the report has been stricken out and another substituted therefor. The report is a unanimous report of the members present. Mr. Andrew, of California, and Mr. Smith, of Vermont, from whom I had letters in response to the report as sent to them, stated that they had no objection to it as it then stood. There has been one minor change in it since that time.

I will now proceed to read the report of the committee:

*REPORT OF COMMITTEE ON AMENDMENT OF ACT TO REGULATE  
COMMERCE.*

The committee on amendment of act to regulate commerce has for several years recommended, and this association adopted, resolutions in one form or another, asking the Congress of the United States to enlarge the powers of the Interstate Commerce Commission; to so amend the act to regulate commerce as to authorize that Commission, on complaint that any interstate rate is unreasonable or unjust, to ascertain what rate is reasonable and just in a particular case, after full hearing by all parties at interest, and make an order requiring the carrier to observe that rate for the future, subject to a rehearing upon application of the carrier when the conditions may have changed, the rate so prescribed to be effective unless enjoined by the courts.

The question of rates and rate making—of enlarging the powers of the Interstate Commerce Commission—is perhaps the most important engaging the attention of the American people at this time. From the Lakes to the Gulf, and from ocean to ocean, comes the demand for just and reasonable rates in the transportation of freight and passengers, and above all comes the demand that there shall be no preferences, rebates, drawbacks, and *unjust* discriminations in favor of one shipper or locality against another on the part of the transportation companies of the country. And after all, while rates should be just and reasonable in and of themselves, yet the question that the public is vitally interested in is the one of *unjust discrimination*. Rates may be too high, but if they bear evenly, all will suffer alike and all will work to the end of having them made just and reasonable; but when one shipper is charged a maximum rate and his competitor the minimum, or when one is given undue preference in the shape of rebates, drawbacks, or other preferences, etc., it takes no prophet to foresee that it is a question of short time when the competitor discriminated against will be driven from the field of endeavor. It is within the power of the carriers, unless restrained, to make or unmake those competing in the various commercial pursuits. Every citizen should have an equal chance in the race for success, or, in the forceful language of the President, should have a "square deal." The carriers should be treated fairly

and justly. They should be allowed a fair return on the investment made, and no clamor of the populace or friends on the one side, or threats of enemies and demagogues on the other, should be the cause to deny "the equal protection of the law," or to take their "property" "without due process of law." They have been great developers and civilizers, and have done much to make our country what it is to-day—one of the greatest and grandest on earth. But while all this is true, no fair man should object to having a reasonable and just rate substituted for an unjust and unreasonable one. But you ask how this is to be accomplished. Is the Commission to be clothed with general rate-making powers? This association has never so recommended, so far as we are aware, and the wisdom of allowing the Commission general rate-making powers may be doubted. But your committee submits that no injustice would be done by allowing an *administrative* body of upright, intelligent men of the highest character, after full hearing, to substitute a just and reasonable rate in a given case for one found to be unjust and unreasonable. But the contention is, first, that Congress has no power to delegate such authority; and second, if such authority could be delegated, can such a commission be relied upon to make just and reasonable rates?

If Congress has no authority to delegate to a commission, created by it, the powers to find what is a just and reasonable rate, then rate legislation is at an end. But we maintain that, under the Constitution, Congress has the power to regulate *interstate commerce*; that interstate traffic in various commodities by the carriers is interstate commerce; that as stated in 9 Wheat., 229: "Commerce in its simplest signification means an exchange of goods." Again, "commerce among the states consists of intercourse and traffic between their citizens, and includes the transportation of persons and property, and the navigation of public waters for that purpose, as well as the purchase, sale, and exchange of commodities." (Justice Field, in 114 U. S., 203.) That Congress has the power, under the Constitution, to declare that rates shall be reasonable and just and when it so declares that is the legislative will. It fixes the standard, that rates shall be just and reasonable. Then the fact that as to what are just and reasonable rates can be determined by an *administrative* body created by Congress; in other words, by the Interstate Commerce Commission, or any other commission created by it. If Congress has not this power, then the American people are powerless to protect themselves under the Constitution against exorbitant rates and unjust discrimination.

The courts have decided time and again that the state has the power to regulate rates wholly within the state. In the case of the *Georgia Railroad et al. v. Smith et al.*, railroad commissioners (70 Ga. Rep., 694), the court said:

The general assembly of Georgia is expressly required by paragraph 1, section 2, Article IV, to pass laws from time to time to regulate freight and passenger tariffs, and to prohibit unjust discrimination and the charging of unjust and unreasonable rates by the railroad companies of the state. The fixing of just and reasonable maximum rates for all the railroads in the state is clearly a duty which can not be performed by the legislature unless it remains in perpetual session and devotes a large part of its time to its performance. The question, what are just and reasonable rates, is one which presents different phases from month to month upon every road in the state and in reference to all innumerable articles and products that are the subject of transportation. This question can only be satisfactorily solved by a *board* which is in perpetual session, and whose time is largely given to the consideration of the subject. It is obvious, says the court, that to require the duty of prescribing rates for the railroads of the state to be performed by the general assembly, consisting of a senate with 44 members, and a house of representatives with 176, and which meets in regular session only once in two years, and then only for a period of forty days, would result in the most ill advised and haphazard schedules and be productive of the greatest inconveniences and injustice, in some cases to the railroad companies and in others to the people of the state. It is impractical for such a body to prescribe just and reasonable rates. To insist that this duty must be performed by the general assembly itself is to defeat the purpose of that clause of the constitution under consideration. The bestowal of such powers upon a commission is not to be considered as trenching upon the maxim that legislative power is not to be delegated, since the maxim is to be understood in the light of the immemorial practice in this country and England, which has always recognized the propriety of vesting in municipal corporations certain powers of local regulation in respect to which the parties immediately interested may fairly be supposed more competent to judge of their needs than any central authority.

The above principle was upheld by the Supreme Court of the United States in a number of cases. One of the first cases decided by that court was from Mississippi, where the act creating the Commission was attacked upon the ground that the law conferred both legislative and judicial powers upon the Commission, and was thus repugnant to the constitution of Mississippi.

Chief Justice Waite, delivering the opinion of the court, says:

The great purpose of the statute now under consideration is to fix a maximum of charges and to regulate in some matters of a public nature the use of railroads in the state. In its general scope it is constitutional, and it applies equally to all persons or corporations owning or operating railroads in the state. No preference is given to one over another, but all are treated alike. Whether in some of its details the statute may be defective or invalid, we do not deem it necessary to inquire, for this suit was brought to prevent the Commission from giving it any effect whatever as against this company. The supreme court of Mississippi has decided that the statute is not repugnant to the constitution of the state "in that it creates a commission and charges it with the duty of supervising the railroads." To this we agree, and this is all that need be decided in this case.

And in a case reported in 154 U. S. Rep., 362 (the Reagan case), from Texas, the Supreme Court, through Justice Brewer, says:

Passing from the question of jurisdiction to the act itself, there can be no doubt of the powers of a state to regulate the fares and freights which may be charged and received by railroad or other carriers, and that this regulation can be carried on by means of a commission. Such a commission is merely an *administrative* board created by the state for carrying into effect the will of the state as expressed by its legislation. \* \* \* As we have seen, it is not the function of the courts to establish a schedule of rates. It is not, therefore, within our power to prepare a new schedule or rearrange this. Our inquiry is limited to the effect of the tariff as a whole, including therein the rates prescribed for all the several classes of goods, and the decree must either condemn or sustain this act of quasi legislation. If a law be adjudged invalid, the court may not in the decree attempt to enact a law upon the same subject which shall be obnoxious to no legal objections. It stops with simply passing its judgment on the validity of the act before it.

Thus we see that the right of the state commissions to make just and reasonable rates, and that the courts have not that right, is upheld.

Surely, then, if the states have the right through their legislatures to create commissions whose duty it is to find what just and reasonable rates are, and to prevent unjust discriminations, the great United States of America, through its Congress, can declare that rates must be just and reasonable, and create a tribunal which can hear and determine what are just and reasonable rates and prevent unjust discriminations.

But we are not left to conjecture as to the power of Congress to prescribe rates, for the Supreme Court of the United States in 167 U. S., 479, says:

Congress might itself prescribe the rates; or it might commit to some subordinate tribunal this duty; or it might leave with the companies the right to fix rates, subject to regulations and restrictions, as well as to that rule which is as old as the existence of common carriers, to wit, that rates must be reasonable (p. 494).

But while they have declared the power of Congress to prescribe rates, they also decide that the act to regulate commerce conferred no such authority on the Interstate Commerce Commission. Says the court:

The question debated is whether it vested in the Commission the power and the duty to fix rates; and the fact that this is a debatable question, and has been most strenuously and earnestly debated, is very persuasive that it did not. The grant of such a power is never to be implied. The power itself is so vast and comprehensive, so largely affecting the rights of carrier and shipper, as well as indirectly all commercial transactions, the language by which the power is given had been so often used and was so familiar to the legislative mind, and is capable of such definite and exact statement, that no just rule of construction would tolerate a grant of such power by mere implication. Administrative control over railroads through boards or commissions was no new thing. It had been resorted to in England and in many of the states of this Union.

If one will take the pains to review the decisions of the state courts and of the Supreme Court of the United States, especially the Granger cases, (94 U. S., 113), the Reagan case (154 U. S., 362), the Stone case (116 U. S., 307), the Nebraska case (169 U. S., 466), or the

Georgia and Mississippi commission cases, the investigation will lead irresistibly to the conclusion that Congress has the power to exercise the legislative function of fixing the standard of charges, and then of delegating to some administrative board the duty of carrying out the legislation in that regard.

So that while we find that state legislatures and Congress have the power to create commissions which can find just and reasonable rates, Congress has never exercised that power to the extent of conferring it upon the Interstate Commerce Commission. Until it decided the "maximum rate cases," it was thought that the Commission had that authority and exercised it, and the carriers acquiesced in that exercise of authority. Then, with the full power under the Constitution and decisions of the courts, will Congress exercise it, and so amend the act to regulate commerce as that it may substitute a just and reasonable rate for one found not to be so? There seems to be no good reason why Congress should not do so. The President (Mr. Roosevelt) has recommended such a measure. The Hepburn bill, so called, with the indorsement of the Committee on Interstate Commerce of the House and both political parties, has passed the House by practically a unanimous vote. The same bill has been reported by the Senate committee and is now awaiting its fate in the Senate.

The limits of this paper will not allow any extended discussion of the reasons pro and con why the amendment now pending in Congress should not be enacted into law. Just one or two observations will suffice. It is strenuously urged by the opponents of the proposed amendment that it invests with too much power the commissioners who are to fix the rates. But almost as few traffic officials, who represent the great railroad systems of the country, now fix them, and surely, if the Commission is composed of men experienced in rate making, of men of high character and ability, of men impartial and upright, who see not only one side but both sides of each case, seeking solely to find what is just and right between carrier and shipper, then surely any commission appointed by the President of the United States and confirmed by the Senate could be relied upon to do equal and exact justice to shipper and carrier alike.

Another objection urged against the proposed legislation is that with the vast number of roads in the country no one commission could find time to investigate thoroughly and determine the endless numbers of complaints lodged with the commission. But, it must be remembered that with the legislation, with the knowledge of the fact that the commission had the authority, the carriers would be less inclined to put in unjust and unreasonable rates, and to discriminate against shippers, when it meant a case or cases before the commission and a reversal of their position. One not acquainted with the facts would be surprised to know of the comparatively few complaints taken to the Interstate Commerce Commission since its organization. Judge Clements, of the Interstate Commerce Commission, in his testimony before the Senate committee, stated:

The Commission has decided during the years it has been in existence about 400 complaints and it has made orders in about 170 of these. It has dismissed or otherwise disposed of about 230. This includes the cases in which it found with the railroad as against the complainant, and some others have been in cases where the cause of complaint was removed either before the taking of the testimony or afterwards before the decision, and in various ways they went out. A large number of them are cases in which the Commission decided with the railroads. In the cases in which mandatory orders were made and complied with there are about 94. The number in which mandatory orders was partially complied with is 21; the number in which orders were disobeyed, 55; suits brought in court to enforce orders which were ignored, about 48.

And this you will observe was while the exact powers of the Commission were for a time in doubt. With the powers of the Commission made definite and certain, it is believed that the number of complaints would be reasonably small and within the power of the Commission to investigate and determine.

Your committee, in urging needed amendments to the act to regulate commerce, has not been unmindful of the vast interests involved on the one side and on the other. Our commerce has grown until the amounts paid annually in freight rates almost stagger belief. But while it has grown in some instances, it has been in spite of and not on account of

freight rates. On the other hand, we consider the billions of capital invested in railways in this Republic. We would have a due regard for vested rights of carrier as well as of shipper. The blessings of our great Government should fall like the gentle dews of heaven upon all alike. During the debates in Congress recently upon this great question, a distinguished member made the statement that "there are in this country more than 214,000 miles of railway. These railways and their equipments are valued at something more than \$12,000,000,000. Their gross earnings for the year ending June 30, 1905, amounted to more than \$2,000,000,000. Their net earnings for last year, according to authentic figures, were more than \$800,000,000. There are on the pay rolls of the railroads of the United States more than 1,250,000 employees. Their salaries amount to more than \$817,000,000."

These figures would impel any patriot to be conservative and just to all interests concerned. The carriers should be allowed a reasonable income upon the actual investment, and no more. The shipper should be required to pay no more than a just and reasonable rate. He should be given a chance to compete with his neighbor on terms of equality in the markets of the world, and the pending legislation in Congress, we believe, would tend logically to that end.

In conclusion, your committee desires to report and to emphasize the recommendations heretofore made by this association, and to urge the indorsement of this convention of such legislation as will so enlarge the powers of the Interstate Commerce Commission that it shall have authority to correct any *rate, regulation, or practice* in relation to the transportation of interstate commerce which may be found after investigation to be unreasonable or unjustly discriminatory and to substitute a just and reasonable rate, regulation, or practice in lieu thereof, and that its orders in relation thereto shall become effective; such legislation, however, shall carefully preserve to the carrier the protection by the courts of all its rights under the Constitution.

Mr. HILL, of Georgia. All of which is respectfully submitted, and I move the adoption of the report.

Mr. PEAKS, of Maine. Before a vote on that motion is taken I want to say just one word. I have read a great deal on rate legislation, and I want to tell the gentleman how creditable the speech was, and I wish to compliment him and say that that is the best paper I have ever heard upon the subject, and the last clause meets my views exactly. I am in favor of legislation, but think that it should carefully guard not only the shippers, but also the railroads. Give us a fair deal and we will all be satisfied.

The motion was carried.

The PRESIDENT. I now introduce to you Mr. Rowell, of Chicago, who will address you on the subject of safety appliances.

Mr. ROWELL, of Chicago.

#### ADDRESS OF B. C. ROWELL ON SAFETY APPLIANCES.

I beg to thank you for your very courteous invitation to appear before your honorable body, and I assure you that I appreciate fully the privilege thus extended to me to explain to you the purposes, construction, and operation of the Rowell-Potter system of train protection, and in connection therewith I hope to make some remarks which may be of interest upon the broad question of the conditions involved in train movement and the best remedy for existing evils in connection therewith.

As my time must necessarily be brief to cover so broad a subject, no apology seems necessary if I plunge immediately into the concrete facts.

Railway accidents and their results are of such formidable proportions that a brief summary of statistics and classification will suffice for the purposes of this paper. My purpose in taking the time to recite these statistics and the classification is to present, somewhat analytically, the existing conditions of train movement which present well-known hazards and which may be safeguarded.

I have analyzed the accident bulletins of the Interstate Commerce Commission for the two years ending June 30, 1905, and find that they report 12,653 collisions for that period. Of these, 4,761 were classified as "rear and butting," 1,994 from "trains breaking in two," and 5,798 "miscellaneous collisions."

I do not understand the term "miscellaneous collision," but suppose it includes those arising from misplaced switches, switching in yards, cars on sidetracks, overhanging the safety point, etc., but from the information given I am unable to reach any definite conclusion concerning them. But leaving these out of consideration the "rear and butting" collisions constitute almost 40 per cent of the total number. They resulted in the loss of 1,082 lives and injury to 11,735 persons, with a loss for cars, engines, and roadways of \$8,124,901.

Accident bulletin No. 17 issued by the Interstate Commerce Commission shows 1,053 deaths by railroad accidents in the United States during July, August, and September, 1905. It also shows 16,386 persons injured and that property losses by collisions and derailments (240 of the former and 141 of the latter affecting passenger trains) amounted to the railroads to \$2,540,908. These figures are sufficient to show that the losses of life and injury to person and the loss in property is appalling. For purposes of brevity, I cite the foregoing as fairly representing average conditions, being neither better nor worse in their results than other like periods, except that the tendency is to an increase in the number of accidents in the successive years.

Speaking from the standpoint of my own experience in train operation, I would enumerate as among the chief causes of train accidents the following *fundamental causes*:

1. Human error.
2. Interference by nature's elements.
3. Defective material.

These three causes may be subdivided almost indefinitely. Space permits me to enumerate the chief subdivisions only.

These human errors which are most frequent and disastrous are:

1. Errors in judgment or carelessness in construction.
2. Errors in giving, receiving, and executing orders.
3. Errors in displaying, reading, and obeying signals.

The interferences by nature's elements which exceed the limitations of human faculties and which are most likely to produce accidents are fogs, snow, sleet, and darkness, all of which at times render reading of signals impossible.

Under the heading of defective material, which is not included in human error, I have in mind defects which can not be avoided by human vigilance, to wit, flaws in steel, such as may occur in rails, axles, car wheels, etc., which can not be detected by careful inspection, and as accidents arising from these causes are unavoidable, this branch of the subject calls for no further treatment by me, but accidents arising from such causes constitute a very small percentage of the total.

This reduces to *two fundamental causes preventable* railway accidents, viz, human error and interference by nature's elements. The only excuse for the writing or reading of a paper of this nature is to properly treat the subject of *preventable* accidents and, if possible, throw some new light upon it.

To properly prepare for the later branches of the subject, let me here describe something of the conditions obtaining in the cab of a locomotive.

The engineman's training from the beginning of his apprenticeship until he becomes a full-fledged engine driver is, and of necessity must be, that to make schedule time is the paramount requirement. His printed book of instructions places the safety of his train first, but his standing in the service depends upon his record for making schedule time.

While the failure to make schedule time would, probably, not result in his discharge, it sends him down the line to an inferior train, while the natural goal and ambition of every engineman is the fast "limited train." The failure to maintain schedule time not only reflects on the engineman, but also upon the superintendent of that division himself, and demands are immediately made from higher officials upon the division superintendent that trains shall maintain their schedule over his division, and if one engineman can not do this, he is displaced by another who can. This does not arise from arbitrary reasons, but from the very nature of the service, because in the operation of a multiplicity of trains the moment that one train fails to maintain its schedule it interferes with the movement of other trains, and the effect is far-reaching. A potent influence upon the engineman, which can not be disregarded, is the ridicule of his associates which he calls down upon himself if he gains the reputation of being a laggard. Then, again, back of the railroad officials is the traveling public, imperatively demanding not only the maintenance of schedule time, but a continually increasing speed of trains. The foregoing conditions must be conceded. The only way in which it is possible for the engineman to meet this demand and make schedule time is for him to assume that if he is on his own schedule for the purpose of moving his train he owns the road, and that everything is prepared for him in advance—that is to say, that the roadway has been properly inspected and is in perfect condition, that all other trains are in the clear, switches on the main line and locked, and without that assumption no man would have the hardihood to maintain his train at the required speed.

If any one of the many men whose duty it is to prepare this perfect condition for the oncoming train fails to perform his individual part, the only protection against disaster rests with the engineman, which must be measured, keeping in view all the limitations of human powers.

The Rev. Henry Ward Beecher once said, "When a man gets to be perfect, it's time for him to be translated."

Charles Francis Adams, in writing some years ago upon the subject of railroad accidents, in referring to railroad employees, said: "All of whom take chances or assume risks, and if they did not do so they would be something more or less than men."

Because of the impossibility of always having perfect conditions and a clear track prepared in advance for the approaching train, and the certainty that emergencies will arise, safeguards have been introduced for the purpose of notifying the engineman of impending danger.

Notwithstanding and in spite of these safeguards the appalling record of disasters, herein above referred to, is the living issue. It seems to me that the pertinent questions are:

What are these safeguards?

What protection do they furnish?

In what respect do they utterly fail, and why?

What is the remedy?

These safeguards, in their various forms, have all been applied for the one purpose of notifying the engineman that it is not safe for his train to proceed, that the track is not clear. They consist of various forms of signals which for their efficiency depend upon a multiplicity of human acts. They consist of visual or audible signals in their various forms. Their value depends wholly upon the right man being in the right place and doing the right thing at the right time under perfect ready-made weather conditions at all times, and under these perfect conditions, the necessary signals having been displayed, the vigilance of the engineman in seeing, sensing, and obeying them. Any departure from these perfect conditions and infallible vigilance and correctness of action of any one of the individuals whose duty it is to operate and obey these signals endangers the train. If it were possible to always maintain the perfect conditions described, and if the perfect man with unlimited powers of vision, hearing, mental and physical action could be produced, these safeguards would be dependable and might be relied upon to prevent accidents, but in the certainty and absolute knowledge that these conditions and this perfect man are impossibilities lay their weakness, and it is tempting Providence to depend upon them if a remedy can be provided.

It is as plain and clear as the sun at noonday that their weakness and inadequacy consists in the *fallibility and limitations of human powers*.

In all the range of safeguards, whether they be visual signals, manual, or automatic in their most improved form, bells, torpedoes, or fusees, this statement holds good. The derail at present so generally used is so crude and barbarous that I do not feel disposed to spend any time in referring to it, as at best its only protection is destruction, and its use is an incontrovertible acknowledgment of the total inadequacy of all the safeguards now in use, which I have herein charged. I have briefly pointed out the evils. The name of the disease from which the patient is suffering is "human fallibility." The remedy must be something which will remove the ravages of the disease. At the point where the disease becomes a menace, the remedy must be a complete antidote. The only antidote and complete cure for these evils must be reliable, automatic, mechanical protection, so designed and constructed that, in case of human failure, it will afford the desired protection.

The sole purpose of this paper is to present to your honorable body the fact that such reliable, automatic, mechanical protection is available and can be furnished.

The reliability and efficiency of every scheme of protection now in use depends upon the movement of something and the instantaneous and proper action of some man. The Rowell-Potter system of train protection has erected its whole structure upon the cornerstone that, if no device is moved and no man acts, no disaster can result therefrom, and, further, that the improper action of any one or more men can not result in an accident. This system furnishes protection to the operation of railroad trains so complete that, if it is safe for them to do so, it permits them to proceed unmolested, but if it is unsafe for them to proceed, it stops them unharmed upon the track. The only exceptions to this statement under which an accident could happen are the breaking down of rolling stock in motion, or the breaking down of the roadway, and in this last exception, if the rails were broken in advance of the train, the system would afford complete protection. In other words, it furnishes complete protection against all errors in giving, receiving, or executing train orders, in displaying, reading, or obeying signals, and this protection is furnished by the sole means of the apparatus itself, without any dependence upon human agency and without any interference with trains so long as it is safe for them to move.

These statements make the following questions pertinent:

What is the system and what service does it perform?

What is the general plan of its construction and operation?

What is its efficiency and durability?

What would approximately be the cost of construction and installation and what its cost of maintenance, especially in comparison with other systems of train signals and protection?

What service and protection does it afford relative to and contrasted with other systems?

Taking up these questions in their order—

*What is the system and what service does it perform?*

It is a system designed to automatically control railroad trains under all conditions, thereby meaning the prevention of all accidents to said trains arising from errors, carelessness, or incompetency on the part of employees in all functions of train movement, and is also arranged to guard its own fallibility with equal certainty by automatically applying the air-brakes to the entire train in case of impending danger or a failure of the apparatus.

*What is the general plan of its construction and operation?*

The foregoing described protection is accomplished by, under proper conditions, creating a contact between the engine equipment, an instrument attached to the truck frame of the locomotive tender, and a track instrument located beside the rail which is operated by a power machine that receives its energy automatically from the deflection of the rails caused by passing trains.

The engine equipment applies the brakes by opening a valve in the train pipe in the same manner as is done by the engineer. This valve is opened by a vertical rod, which is raised in its bearings by the track instrument when said track instrument is in its elevated position.

A complete locomotive equipment consists of two instruments, one on each side, so that

connection with the track instrument is assured, regardless of the direction in which the engine is traveling.

Each instrument is attached to the forward end of the rear tender truck frame and has two rods to be lifted by the track instrument; the main rod which opens the train pipe and a second, or locking rod, which locks the main rod in its normal position and which must be raised sufficiently to unlock the main rod before it can be forced up to apply the brakes. The locking rod extends slightly below the main rod and the two are so arranged that an incline of 1 inch in 30 (that of the track instrument) will unlock and operate the main rod and apply the brakes. An incline of any less degree will not do it because an upward pressure would be put upon the main rod before it is unlocked.

On the forward end of the forward truck frame is placed a guard which extends downward as low as the above-described instrument, and a like guard is placed on the rear end of the rear truck frame. If the signal is in the danger position, one of these guards (depending on whether the engine is going forward or backing up) strikes the track instrument and forces it down, but it instantly recovers and applies the brakes *if proper protection demands it*.

The functions of these guards are twofold—they protect the engine equipment from injury by any foreign substance along the track and prevent the machines from operating to interfere with train movements when it becomes necessary to move trains in the wrong direction on double track. To illustrate, the track instrument is provided with a hook which, when the track instrument is forced down by a train moving in the wrong direction, will engage a detent and prevent it from raising to operate the engine instrument. This hook is released when the signal goes to safety, or by the guard on the engine when a train goes over it in the proper direction.

Trains running in the wrong direction on double-track roads will, of course, find all signals at danger ahead of them and, but for this arrangement of guard and hook, the engine instrument would have to be cut out to prevent an application of the brakes, with no assurance that it would be cut in again when normal conditions were restored. The same is true of switching movements when it becomes necessary to send a train past a signal for the purpose of backing off onto a siding.

*The track instrument* is composed of a pair of toggle levers, raised and lowered by a crank shaft, which when raised form an inclined plane having a  $3\frac{1}{4}$  per cent grade, with the highest point four inches above the tread of the rail, and when lowered is below the rail. It is made flexible, as follows: The bearing of the end of the crank shaft supporting the toggle levers is held in place by compression springs, which have a definite sustaining power; the other end of the shaft is confined in a swivel bearing. When the bars are up, if a greater load is placed upon them than the springs are capable of sustaining, they are pressed down, but instantly return to their upward position when the load is removed.

The crank which raises these bars has, fixed to the end on which the bars rest, a grooved wheel, the bars fitting into the top of the groove, and a loop, extending from the bars down, fits into the groove on the underside of the wheel, so that the same power that is applied to raise them is used to force them down. The bars are joined in the center like a pair of tongs, and slotted at one end to allow them to be raised and lowered. They are formed of one-half by two inch steel, set edgewise, thus presenting so small a surface to obstructions that snow and ice can not possibly interfere with their operation.

The combination of these two instruments provides an automatic stop for trains that in no way interferes with their legitimate movements, is not influenced or affected by the various widths or heights of pilots, or other projections from trains of various standards, nor by snowplows, but is applied on an arbitrary gauge-line standard which renders all engines so equipped interchangeable with all roads without in any way sacrificing the protection given.

*The power machine* harnesses the undulations or deflections of the rails caused by the wheels of passing trains and uses this power for winding a series of spiral springs; thus storing energy that can be utilized for operating the system at no cost except the original cost of the machine. The design of this power machine is such that, having received from the

rails the intended amount of energy or power, it automatically cuts itself out and prevents the introduction of any more; and a certain amount having been used, it likewise automatically sets itself to work to replenish its store of power. When fully wound, it will operate the signal one hundred and four times without further winding. Two signal movements cut the winding apparatus into service again so that there are one hundred and two surplus movements in the machine between the points of starting the winding gear and its exhaustion; but if, perchance, the machine should become run down, it then automatically locks the signal at danger, so that *by no possible chance* could a clear indication be given.

An investigation made by Mr. James E. Howard, of Watertown Arsenal, Mass., on behalf of the United States Government, showed that, under the maximum rigidity obtainable, the deflection under drivers was 0.087 of an inch and under tender wheels was 0.060 of an inch.

Even with the least of these deflections the machine is operative, as the weight of a train is such as to permit of any desired multiple of leverage being used. The deflection of both rails is used through a system of compound levers.

The movements of this machine are governed by locks which in turn are controlled by a closed electric circuit. The *existence* of the *current* unlocks the machine and allows it to *pull the signal to safety*, but an *interruption of the current* from any cause *will instantly place the signal at danger*. The current required for this lock is fifteen-one hundredths of an ampere, and as the power to move the signal is provided at no cost except that of the controlling circuit, the cost of maintenance is nominal. The operation of the electric circuit is described under the head of "Block signals."

*Speed controlling safety stop* is a track instrument governed by a time mechanism, which is simply a pendulum that the train sets in motion. It is through the application of the familiar principle that a pendulum of a given length will swing through different arcs of a circle in the same space of time for each oscillation, that the speed controller accomplishes its results. The track instrument stands at danger with the pendulum suspended at an angle. The pendulum is released by an approaching train and starts its oscillation, and as it completes its first arc it drops the track instrument to safety; hence the time required to complete this arc must be consumed by the train in running from the releasing point to the track instrument, otherwise the track instrument will not have reached the point of depression and will set the brakes, so by varying the length of the pendulum a reduction to any desired speed can be compelled.

*The semiautomatic track instrument* is a method of attaching the track instrument to a manually operated signal in such a manner that, the signal being cleared by the operator for the train, that train on passing it automatically sets it to danger, thereby eliminating all possibility of forgetfulness on the part of the operator.

*The reversing relay* is an electric instrument operated by an ordinary track circuit and makes and breaks electric circuits in accordance with the direction in which the train is traveling.

*The unsetting relay* is an electrical instrument which, when operated once by a passing train, can not be again operated either by that train or a following one until the train which operated it has passed a predetermined distance.

*The train-counting relay* automatically counts the trains entering a section. It also counts those leaving the section and, at the same time, controls the signal circuits of that section.

It consists of two ratchet wheels rigidly attached to each other, but operated in opposite directions, actuated by two dogs operated by an armature which is moved by two separate magnets attracting in opposite directions. The energizing of one attracts the armature towards it and moves the ratchet wheels one notch in one direction for each train that passes into the section. As each train passes out of the section the opposite magnet is energized and the ratchet wheels are moved one notch in the reverse direction, and as many trains must pass out as passed in before the ratchet wheels will come to their original position.

*The electric contact instrument* makes and breaks an electric circuit for the operation of signals and is used in connection with the unsettling relay and train counter where it is not expedient to operate signals with a rail circuit.

*Block signals for double track.*—A complete automatic block signal is a combination of a semaphore signal, two track instruments, and a power machine. The first track instrument is at the semaphore post and in unison with the visual signal. The second track instrument is placed 150 feet beyond the first and is rigidly attached to it by a pipe line in such a manner that when the first is elevated to danger the second is depressed to safety, and vice versa. A power machine is also attached to the pipe line and through it moves both track instruments and the semaphore signal. The operation of this is as follows: If the block section is clear, the visual signal and the first track instrument will stand at safety and the second track instrument will stand at danger. On passing the signal post the train short-circuits that section of track circuit and interrupts the flow of current through the locks of the power machine, and the visual signal and first track instrument go to danger and pull the second track instrument to safety. Should any of the mechanism fail to operate, in consequence of which the signal and first track instrument would not be promptly set to danger, then the second track instrument could not be pulled to safety and would apply the brakes when the train reached it. The second track instrument never applies the brakes unless the first fails to go to danger, consequently an engineer passing the second without having his brakes applied is assured that the first track instrument and visual signal have gone to danger.

When the train passes out of the section protected by that signal the flow of current through the lock of the power machine is restored and the signal brought to safety.

*Block signals for single track.*—In single track blocking one signal operates for trains going in both directions, and it will be readily seen that the track instrument which is first for a train going in one direction will of necessity become the second for an opposite train. The fundamental principle of two track instruments rigidly connected in one signal, but opposed to one another, is for the purpose of giving positive assurance that if the train proceeds the signal must go to danger. In using this principle on single-track roads each one of these track instruments must be capable of acting as either first or second, dependent on the direction in which the train is moving. The same combination of instruments used in double-track blocking is used in single track, together with the mechanism for reversing the track instruments, which consists of two automatic trips placed between the signal post and the track instruments (the track instruments in single-track blocking are placed either side of the signal post about 100 feet each way). Take a section of track between two meeting points; the signals at each end of this section are normal danger signals, always at danger except when an approaching train has a right to pass, and as many intermediate signals can be inserted between these two normal danger signals as may be desired.

The operation is as follows: A train about to enter the section from east to west first operates the reversing relay, which first breaks the circuit that would let a train at the other end of the section clear that signal, and then makes the circuit which clears the signal for this train to enter; the signal in clearing pulls both track instruments to safety. The train passes the first track instrument, strikes the first trip, and sets the track instrument it has passed to danger; the clearing circuit is cut off and the power machine moves the signal to danger, and at the same time withdraws the second trip so that the second track instrument would not be tripped to danger, and the train proceeds unmolested. But should anything happen to prevent the signal from going to danger, the second trip would not be withdrawn, and, as it is between the train and the second track instrument, it is obvious that the track instrument would be tripped to danger in front of the train, apply the brakes, and stop it.

The operation is the same in the opposite direction, so that the same guaranty is given on single track as on double, viz, unless the track is clear and the signal in working order the train can not pass.

*Automatic interlocking.*—This system provides protection at crossings where the traffic does not warrant maintaining towers and men in the following manner: The signals and

track instruments governing all approaches to the crossing are normally at danger—the same type as those used in single track blocking. Every train approaching must set its signals and track instrument to safety before it can pass, and it can not do this unless the signals and track instruments of all conflicting routes are at danger, because through the medium of the reversing relay and train counter the circuits are controlled, so that the setting of any one signal and track instrument at safety absolutely holds all others at danger. Safety having been secured by one train, it passes the signal and track instrument and immediately restores them to danger, thus protecting the rear. The circuits for conflicting routes can not be operated until this train has cleared the crossing and restored the train counter to its normal position.

Should two conflicting trains arrive at the releasing point at the same instant, but one of them could get safety, because, as shown in the description of the train counter, one common armature is attracted by two magnets in opposite directions, and as the armature can not be moved in opposite directions at the same time, one or the other magnet must control it, and that one gaining control would destroy the opposing circuit. In connection with automatic interlocking, distant signals and speed controllers, either or both, can be used when desired.

*Protection of switches and drawbridges.*—Where roads are fully blocked, all main line switches are protected by the block signals. Where not fully blocked, track instruments are attached to all switches, placed back a sufficient distance to stop the fastest train before reaching the switch point. These track instruments are interlocked with the switches in such a manner that the unlocking of the switch sets the track instrument to danger and prevents it from being restored to safety until the switch is set for the main line and locked.

At drawbridges track instruments are connected to the bridge locks in such a manner that the unlocking of the bridge sets them to danger, and they can not be restored to safety until the bridge has been closed and locked. At a point where a switch or drawbridge is on a grade, where it would require so great a distance to stop a fast train that it would not be practical to run a mechanical connection to the track instrument, a power machine is used to operate it, and this power machine is electrically interlocked with the switch or bridge in such a manner that it must place the track instrument at danger before the switch or bridge can be unlocked. Visual signals can be used with these track instruments if desired.

*Highway crossings.*—At street or highway crossings where gates are used safety is assured by attaching track instruments to the gates, the track instruments being depressed to safety as the gates are closed and raised to danger as the gates are opened.

In describing each part of the system separately, the description, to be intelligent, must be of considerable length. This may lead to the thought that the system is complicated. On the contrary, its simplicity, durability, reliability, and economy of operation are its chief recommendations, second only to the protection afforded.

*What is its efficiency and durability?*

In the winter of 1895 and 1896 there were installed thirty-six Rowell-Potter automatic block signals on the Metropolitan West Side Elevated Railroad, Chicago. Record of their performance was kept by the railroad company for over three years. Trains are operated over these signals at from one to three minute intervals, and the record shows 99.99 per cent efficiency.

On May 19, 1902, four Rowell-Potter signals were put in operation on the main line of the Chicago, Milwaukee and St. Paul Railroad between Pacific Junction and Edgebrook, and operated continuously until December 8, 1902. Each one of these protected 3 miles of track. The rules under which the signals were operated were absolute blocking rules—i. e., all trains must get an order from the train dispatcher before passing a signal at danger, in consequence of which every failure was known in the operating office and an absolute record obtained. There was an average of seventy-six trains a day over the track.

Total number of failures from all causes show an efficiency of 99.86 per cent.

Total number of trains stopped shows an efficiency of 99.45 per cent.

In the spring of 1899 there was installed an automatic interlocking plant on the St. Louis, Peoria and Northern Railway at Hawley, Ill., which was inspected and approved by the

railroad and warehouse commission, and permits were issued to the railroads on August 7, 1899, to run the crossing under its protection. The plant was maintained in operation for about a year, including one entire winter, for the purpose of watching its operation through snow and ice. It operated perfectly through snow and sleet storms, which were so heavy that all freight trains were abandoned and passenger trains double headed.

This being an experimental plant, operated solely for the purpose of gaining experience with the apparatus, unfortunately a complete record of its efficiency was not kept. It was, however, efficient enough to be of service to the railroad as the following letter from the president and general manager will testify:

ST. LOUIS, November 20, 1899.

F. G. EWALD, Esq.,

*Chief Engineer, Railroad and Warehouse Commission, State of Illinois, Springfield, Ill.*

DEAR SIR: Your favor of the 15th instant reached me in due course, but I have been unable to make reply until to-day. The automatic interlocking device which you speak of, installed on this line at Hawley, has, in my opinion, fully fulfilled our expectations. As was to be expected, during the earlier days of the operation of the plant some minor difficulties were encountered, but so far as I can judge nothing has developed indicating any fundamental defects. During the last sixty days or so the plant has worked with smoothness and reliability, and I know of no reason why it should not continue to do so. The difficulties spoken of above, as I understand it, were caused by slight defects in the construction, which actual experience developed, but an important feature is the fact that whenever such difficulties did develop they in no way impaired the plant from the standpoint of safety. A trifling inconvenience resulted in one or two instances, but always on the safe side, and this is really, to my mind, the great worth of the device. Should it fail at any time, and nothing is infallible, the failure in no way imperils the safety of trains. I feel that the installation of this plant marks a new departure in the matter of safety appliances for railroads.

Yours, very truly,

(Signed)

J. N. FAITHORN,

*President and General Manager St. Louis, Peoria and Northern Railway.*

In such installations as have been made there has at no time been any perceptible wear or deterioration in the engine, instruments, the track equipments, or the power machine.

*What would be approximately its cost of construction and installation, and what its cost of maintenance, especially in comparison with other systems of train signals and protection?*

The cost of construction and installation will not materially differ from that of other systems which provide for visual protection only.

The cost of maintenance of the Hall disk signals on the Illinois Central Railroad, as published in the Railroad Gazette, was \$7.96 per month per signal. A division of these figures was \$4 per month per signal for battery power to operate the signal and \$3.96 per month per signal for track circuit and inspection.

The cost of maintaining the same class of signals on the Chicago and Northwestern Railway, published in the same paper, was \$8.50 per month per signal.

The cost of maintenance of thirty-six Rowell-Potter signals on the Metropolitan West Side Elevated Railroad in Chicago has been for a term of years \$3.12 per month per signal.

According to the best figures obtainable on the maintenance of electric semaphores, the cost of battery power to operate the signal, exclusive of track circuit, is from \$60 to \$80 per year per signal.

The Rowell-Potter power machine furnishes, at practically no cost the power represented in these last figures, as the cost of the energy furnished by the power machine is the cost of the battery which controls its locks, which is \$4 per year, i. e., the cost of maintenance of Rowell-Potter signals is less than 50 per cent of the other signals mentioned.

Keep in mind the additional service performed and protection afforded by the Rowell-Potter system.

*What service does it afford relative to and contrasted with other systems?*

It provides, like the best of other systems, an approved form of visual signal, for the guidance of trainmen. In addition to and beyond what is claimed by visual systems, it protects train movements in the event of errors or failure on the part of railroad employees in giving, receiving, or executing orders, or in the case of failure to properly operate or obey the visual signals.

Mr. W. C. Brown, vice-president of the New York Central and Hudson River Railroad, and in charge of operation of the Vanderbilt lines, in an interview published in the Chicago Record-Herald, November 21, 1904, after describing the operation of the block system adopted on his railroad, which is an automatic visual signal controlled by track circuit, said:

Now, if some one will invent an engineer who will be sure always to see and to stop for a signal set against him, we shall have come pretty near to perfection in the matter of averting main-line accidents.

I accept Mr. Brown's statement, and I say to you, gentlemen, that although the perfect man can not be produced, the supplemental protection afforded by the Rowell-Potter system does, not only what Mr. Brown requires from a perfect engineer, but it also provides absolute protection against all errors, not only of the engineer, but any and all errors in the train dispatcher's office, or in the signal department.

That discipline has reached its limit of efficiency, and that it will require all the energy available to maintain the present standard is evidenced by over fifty years of constant effort on the part of those in authority to reduce railroad employees to automatons.

All the discipline in the world will not enable men to see through blinding snowstorms or heavy fogs, nor to exercise the same degree of alertness under varying conditions of mind and body.

With these facts before us it is a waste of time to argue that this or that particular method of discipline would be efficacious, as nothing can be suggested that has not been tried, and no kind of discipline can make men do the impossible.

To sum up, the gist of this whole proposition is that it can be demonstrated that a proper and available system of automatic control of trains installed on the railroads in this country would render physically impossible more than 70 per cent of all the railroad accidents which occur.

I submit to you, gentlemen—

From the railroad standpoint, would it be profitable to them?

From the standpoint of the traveling public and on the basis of humanity, are they entitled to this protection?

And I leave it to you, gentlemen, through the power and influence of your association, and in your individual official capacity, to answer these questions, and, if in the affirmative, to point the way to secure this protection.

It is readily apparent that the railroads of this country can not be equipped with apparatus to afford this protection instantly, but, on the other hand, the work must be done gradually. The only argument opposing the adoption of this system of protection which has been raised by competent railroad men has been that their lines could not all be equipped at once, and that if they should equip one division, they would be subjected to unreasonable damages on account of accidents which might occur on divisions not equipped. My opinion is that the operating officials of the railroads would be glad to have the protection which this system would afford if they could be protected from such unjust extortion during the equipment period. There is but one effective means for affording them such protection, and it is the same means used under similar circumstances during the period of the adoption of the air brakes, automatic couplers, etc.

It seems to me self-evident that proper legislation by the Congress can give both to the railroads and the public the benefit of this best available protection, and thus at one stroke eliminate, beyond peradventure, more than 70 per cent of the railway accidents which are now currently occurring under existing conditions.

Gentlemen, I thank you.

[Applause.]

Mr. WHARTON, of South Carolina. I move that the thanks of the convention be tendered to Mr. Rowell for the valuable paper that he has prepared and presented to the convention.

The motion was carried.

The PRESIDENT. The report of the committee on safety appliances.

Mr. MOSELEY, of the Interstate Commerce Commission. In regard to the report of the committee on safety appliances, I would say that this report is not the report of the entire committee, there being only one other member of the committee present. The report is as follows:

*REPORT OF THE COMMITTEE ON SAFETY APPLIANCES.*

At previous meetings of this convention the committee on safety appliances has presented arguments in favor of the block system and called attention to the necessity for legislation requiring its adoption. The present committee can add little to what has already been placed before the convention on this subject.

A bill requiring the use of block signals upon all railroads engaged in interstate commerce was introduced into the Fifty-eighth Congress by Representative Esch, of Wisconsin. This bill followed the suggestions made by the Interstate Commerce Commission in its seventeenth and eighteenth annual reports, and was also in line with the recommendations of President Roosevelt concerning legislation on this subject. It was not, however, reported from the committee to which it was referred. In his message to the present Congress the President again called attention to this matter and urged the Congress to "provide, by appropriate legislation, for the introduction of block signals upon all railroads engaged in interstate commerce at the earliest practicable date, as a measure of increased safety to the traveling public." Following this recommendation by the President, Mr. Esch again introduced his block-signal bill, and it was referred to the Committee on Interstate and Foreign Commerce, where it now lies. It remains to be seen what action, if any, will be taken upon it.

Legislation such as proposed does not impose upon the railroads the necessity to buy or use any particular apparatus or mechanical device. Whether the automatic or telegraph system is used rests entirely with the railroad. One of the most successfully operated systems in this country is an automatic system in use on the Cincinnati, New Orleans and Texas Pacific Railway, said to be the only single-track railroad in the world with the automatic electric block-signal system in use, practically, from terminal to terminal. In describing the operation of this system, Mr. W. A. D. Short, superintendent of signals, says "the capacity of the track for moving trains expeditiously and safely is greatly increased by the use of this system. One of our chief train dispatchers figures that automatic block signals have increased the capacity of our track four times over the old method of telegraphic block, while one of our division superintendents claims the capacity has increased 75 per cent at night and 50 per cent in the daytime, allowing us to handle six more trains at night and three more in the daytime than we could handle under the old method of telegraphic block."

In a paper read before the Central Association of Railroad Officers, Mr. H. M. Waite, superintendent of the Cincinnati, New Orleans and Texas Pacific Railway, gave some evidence with regard to the cost of installation and maintenance of this system, as follows:

With blocks  $1\frac{1}{2}$  miles long, each semaphore signal installed costs \$700, or \$1,400 for a block of two home signals. The disk signals cost, installed, about \$600 per signal, or \$1,200 for a block of two home signals, and \$2,250 for a block of two home and two distant signals. If the blocks are made  $1\frac{1}{4}$  miles long, the semaphore will cost \$900 per mile and the disk \$800 per mile where two home signals are used. The average cost of maintenance per signal per month for semaphores is \$10.40; disks, \$8.50.

Our signal department is organized as follows: A superintendent of signals, who has general supervision of the automatic signals, interlockings, telephones, etc., and the maintaining and establishing of all standards. He reports to the general manager. Each division has a signal engineer, who reports to the division superintendent. Under him are two foremen, one for each district, who have direct charge of all inspectors and gang foremen working in their respective districts. Each inspector has an average of 18 signals and 8 to 12 miles of track.

The question is asked, "Is it worth the expense?" Unfortunately, we can not say how many dollars the signals have actually saved—no one can; but considering the old stories

of three collisions a day, and now none, and the actual experience of trains saved from collisions, etc., we believe the money is well spent; and we are spending more every day for new installations and improvements in the old.

Here is the best sort of testimony, that of actual experience, that the block system is perfectly practicable for single-track lines. Moreover, although the most expensive signals and mechanism are used, it is profitable, and instead of delaying or hampering the movement of traffic it greatly increases the capacity of the track.

There can be no doubt that a prolific cause of railroad accidents is the excessive hours of labor to which employees in the train service are often subjected. The records of the Interstate Commerce Commission show that the railroads have reported, under the requirements of the accident report law of 1901, a total of 118 accidents involving the death of 51 persons and injury of 198 persons, where the employees involved had been on duty from fifteen to forty-eight hours.

Many of these accidents were directly caused by employees falling asleep at their posts of duty. Typical cases are as follows: Brakeman injured: "Sent back to protect rear of train; fell asleep at side of track; struck by train." This man had been on duty twenty-one hours. Brakeman killed: "Sat on track; went to sleep; struck;" on duty fifteen hours. Brakeman killed: "Fell asleep while sitting on track; struck by train;" on duty seventeen hours after seven hours' rest. Brakeman injured: "Out flagging; went to sleep and was struck by engine;" on duty twenty-four hours. Collision causing loss of property but no injuries or loss of life: "Engineman was asleep; discharged;" thirty-eight hours on duty after seventeen hours' rest. Collision causing loss of one life: "Crew went to sleep;" twenty-four hours on duty. Collision causing 1 death and 2 injuries: "Crew falling asleep;" twenty-seven hours on duty after four hours' rest. Collision causing 1 death and 2 injuries: "Engineman falling asleep;" twenty-nine hours on duty after twelve hours' rest.

This question of long hours is one that urgently calls for regulation, both by the federal Government and by the states. In his last message to Congress the President strongly urged legislation covering this matter, and there are two bills now pending in Congress which aim to limit the hours of continuous service of train employees. A bill which has the support of the railway employees' organizations was introduced in the House by Representative Esch, of Wisconsin, and in the Senate by Senator La Follette. Another bill, which is without the endorsement of railroad employees' organizations, was introduced in the House by Representative Norris, of Nebraska.

Only a few of the states have as yet made any attempt to regulate the hours of labor of train employees. Colorado, Florida, Georgia, Michigan, Minnesota, Nebraska, New York, and Ohio are the only states that have laws on the subject, and even in those cases where legislation has been attempted the effort seems to have been to prevent railroads from compelling train employees to work an excessive number of hours for a single day's pay, rather than to protect the public safety by requiring absolutely that employees shall neither be required nor permitted to remain on duty an excessive number of hours consecutively. For instance, the Michigan law says that "Ten hours labor performed within twelve consecutive hours shall constitute a day's labor," and every hour worked in excess of ten in any one day shall be deemed one-tenth of a day's labor, and shall be paid for pro rata. Yet this law permits an employee to work indefinitely, and does not compel a specified period of rest of at least eight hours before an employee is permitted to again go on duty until after the employee has been on duty for at least twenty-four hours. Section 1 of the Michigan law reads as follows:

No person, corporation, joint-stock company, or association of individuals owning or operating a line of railroad, in whole or in part, within this State, shall permit or require any conductor, engineer, fireman, brakeman, or any other train man who has worked in any capacity for twenty-four hours to again go on duty or perform any kind of work until he has had at least eight hours' rest.

It will be noted that there is no limit to the number of hours a man may be permitted or required to work under this law, but after he completes a trip which has kept him at least

twenty-four hours on duty he must be permitted to have at least eight hours' rest. There is absolutely no protection to the public in a law of this character. New York also permits at least twenty-four hours' labor before requiring eight hours' rest; Minnesota, twenty hours before eight hours' rest; Colorado, eighteen hours before eight hours' rest; Ohio, fifteen hours before eight hours' rest; Florida, thirteen hours before eight hours' rest; and Georgia, thirteen hours with ten hours' rest. With the possible exception of Florida and Georgia, it can not be doubted that the periods of labor permitted by statute in all these states are excessive.

Following the example of Illinois, the state of Ohio has passed a safety-appliance law, patterned after the federal statute. A law such as this should be on the statute books of every state in the Union, as the federal statute has no application to purely state traffic, and it is impossible to afford employees and travelers complete protection in all cases without the aid of state laws. The federal statute has stood the test of the courts, and no mistake can be made in adopting it as a model for state laws. Its provisions have been embodied in the Ohio statute and also a bill now pending in the legislature of the state of Kentucky. In order that it may be used as a model for other states the Ohio law is reproduced herewith.

Your committee recommends that this bill receive the indorsement of this convention, with the recommendation that an effort be made to secure its passage by the legislature of every state represented here. In this connection it would be a good idea to have the bill contain an additional section covering the matter in which it is now proposed to amend the federal law, and that is to give the various state commissions authority to make all necessary and proper regulations to carry the law into effect, including regulations for the direction and guidance of such inspectors as may be appointed to execute and enforce the law.

Mr. CHADBOURNE, of Maine. I would like to know, Mr. Moseley, whether or not this testimonial with reference to the block signals on the Cincinnati, New Orleans and Texas Pacific Railway applies to what is known as the "Staff" system?

Mr. MOSELEY, of the Interstate Commerce Commission. I really do not know.

Mr. CHADBOURNE, of Maine. Did they not formerly operate the Staff system there?

Mr. MOSELEY, of the Interstate Commerce Commission. One of our inspectors says that he thinks that they did try that system before they adopted this.

Mr. BARNES, of Wisconsin. I would like to ask what were the particular occasions for the employees that he refers to being on duty the length of time they are reported to have been on duty; whether it is a general thing, or whether it was the result of accident or breakdowns or blizzards or something of that kind.

Mr. MOSELEY, of the Interstate Commerce Commission. I want to say in regard to that, that the federal law requires a report of all accidents and the circumstances surrounding the same. There are runs—I do not want to specify the railroads—there are runs that I know of personally that require eighteen hours, where men rarely get through in less than twenty-four hours, unless everything works right; and then they lay off a day, and then make the run again.

It is not fair to the railroads to deal with this subject without having in consideration the fact that the railroad employees pretty

generally, I believe, throughout the country are paid on a mileage basis. The more miles they make the more pay they receive. Therefore, it is a matter in which the men themselves are in very many cases undoubtedly to blame. They want to make the mileage. I have heard men boast that they have made two months in a month.

I might say, in regard to this matter, that before the measure was introduced in Congress it created a great deal of discussion among organizations of railroad employees. The more conservative of them believe in a regulation which would limit the hours of labor to a point where the men were capable of performing their work with full brain faculty; but there is quite an element among the railroad employees which resents any attempt to limit their ability or right to earn all they can get.

No law could be well enacted that would not provide for emergencies, and this bill, which is in Congress, proposes to provide for emergencies; but where runs are made and agreed on of more than a fair amount of time to make those runs, it is not right.

Mr. MEYER, of Wisconsin. In this connection I should like to call the attention of the members of the convention to the observations made on the matter of safety by two experts who visited the United States two years ago, and who traveled some 10,000 miles, and usually rode on the fastest and best trains, and were on time just once. They naturally suggested that the irregularity of our trains—failures to observe train schedules—may be responsible for a good many railway accidents. They also made some suggestions with respect to our practice in connection with train dispatching. They further suggested that, whereas at present we employ on the railways in the United States some 50,000 men in various branches, working to the safety of passengers and employees, if we were to man our roads in the same proportion that they man the roads at home—that is, if we should employ, instead of 50,000 men, 618,000 men, or 568,000 men more than we now employ, we should obtain very much better results. They suggested that mechanical appliances, no matter how perfect, would never bring about this safety unless we supplement mechanical devices by human watchfulness. I do not know whether these figures are final, but coming from men who are very familiar with the railroad operations and management, and being sensible men, who have studied this situation carefully, they deserve attention at our hands, as well as at the hands of the railway companies.

Mr. MOSELEY, of the Interstate Commerce Commission. I suppose that most of the gentlemen present have recently seen articles written by Mr. Slasson Thompson, of Chicago, the press agent of the General Managers' Association, which say that the safest railroads are those in the United States. It is pretty hard for anybody who

has had the close connection that I have had with this matter to really believe it.

Mr. MEYER, of Wisconsin. May I just add a word by way of illustration to what Secretary Moseley has just said this morning with reference to the matter of safety. They realize, as we all do, that you can not compare 214,000 miles with a system of 20,000 or 25,000 miles, but they reduced their statistics to an equitable and comparable basis, and in those statistics they show to the contrary of what the Chicago press agent has published, that in the United States we killed six and one-half times, during the years taken into consideration (1903 and 1904, I think), as many passengers, and injured twenty-nine times as many, and that during the same years we killed three times as many employees and injured twenty-five times as many. That much for the correctness of the Chicago gentleman's statement.

Now, this is not juggling with figures; they did not juggle with figures. We all know that you can make all sorts of things with figures. Those are the facts in regard to the relative safety in the United States and in some other countries.

Mr. CHADBOURNE, of Maine. There are a good many conditions that enter into this computation. The roads in Prussia and in England are not to be compared with our own at all. We are a new country, and are pushing the roads at the least possible cost of construction into new territories to develop them. They are an old country, and capitalize their roads at \$125,000 a mile and building them all double track. There is so much difference in the conditions.

Mr. MOSELEY, of the Interstate Commerce Commission. The reason why our roads are not safer than those in Europe and why they could not be expected to be, is the reason given by the gentleman from Maine; and it is a fact that European roads are safer. I have called attention to the matter, however, simply to show that the statements made are absolutely incorrect, and used as an argument why nothing should be done.

Mr. CHADBOURNE, of Maine. I do not think there is a general manager in the United States that thinks for a single moment that nothing should be done. I hardly think there is a railroad in the United States which has not investigated to a greater or less extent, and which is not investigating now, what are the safest possible appliances to be used in the operation of our railroads. I do not know of any. I do not know of any road that has not experimented, and the very reason for my asking the question with reference to the Cincinnati, New Orleans and Texas Pacific Railway as to their using the Staff system was simply to find out what had been their experience with what has been considered by many railroad men a safeguard against accidents.

Mr. MOSELEY, of the Interstate Commerce Commission. I introduce Mr. Borland, the Commission's expert on safety appliances, who will answer that question.

Mr. BORLAND, of the Interstate Commerce Commission. With regard to the Staff system on the Cincinnati, New Orleans and Texas Pacific Railway, I would say that that system has been found to be absolutely perfect in particular places and in particular instances. It is not practicable to use it all over the whole line for the reason that it does not permit of the fast running of trains, but they use it in places where the traffic is congested to a very great extent and at terminals and where they have a great number of trains between two points—over bridges, for instance, and at terminals where trains converge at a particular point. But to use it over the whole line, their experience has been that it is not practicable. It does not permit of trains being run with sufficient facility, and for that reason they have introduced this automatic block system, but they still use the Staff system in connection with that.

Mr. CHADBOURNE, of Maine. Thank you, very much. That is the very point I want to get.

Mr. KILPATRICK, of Illinois. I think it is absolutely true that the systems that are at present in force on nearly all the railroads of the United States are not absolutely protective. I want to cite to you a case that happened in our state not long ago. I do not think it has gotten to the Interstate Commerce Commission yet. On one particular line they had the train-order system adopted by the American Train Dispatchers' Association, and entirely distinct and apart from that they have a Manuel block over every line in the State of Illinois. On the 29th day of January, of this year, train No. 6, California Limited, on its way east had an order to meet a double-head freight, going west, at a certain station. In between those was a Manuel block. The east-bound passenger train ought to have had the block signal against it at the station where it was to meet this freight; but at 5.30 in the morning, and before it was light, the operator of the block which was entered by this freight train failed to notify the man at the other end, and when the passenger train came to this meeting point the block signal was clear. Another freight train—not the one he had an order to meet there—was in on the clear in the sidetrack. The man on the platform of the freight train said "Come along," and the passenger train passed and within 2 miles went into the train that they should have met at this sidetrack, and killed 4 persons and injured 17. In this case both systems of signaling, which are standard in our country to-day, were in use but both of them failed. The conductor did his duty except in one particular; he did not stop to see whether the freight train on the siding was the

train that he was to meet. The consequence was that there were 4 persons killed and 17 injured.

You must eliminate the human equation in these things, or else you are going to fail altogether, and the sooner we get to that in this country the better off we will be. I believe we should use all the influence we have to bring about and get the human equation eliminated entirely from the movement of trains. We will never succeed entirely in getting down to the lowest possible basis of train accidents until we do.

Mr. RICE, of Missouri. In the case to which you refer, the engineer had an order, did he not, giving the number of engine?

Mr. KILPATRICK, of Illinois. Yes.

Mr. RICE, of Missouri. Why did not that engineer notice the number and see that that was the train he was to pass?

Mr. KILPATRICK, of Illinois. We do not know. The man is dead.

Mr. RICE, of Missouri. That was the fault of the engineer, then.

Mr. KILPATRICK, of Illinois. Well, the conductor of that train is now indicted for manslaughter for that same accident.

Mr. RICE, of Missouri. In a case like that the orders to the engineer always contain the number of the engine.

Mr. MOSELEY, of the Interstate Commerce Commission. The bill referred to in this report is as follows:

A BILL To promote the safety of employees and travelers upon railroads by compelling common carriers by railroad in the state of Ohio to equip their cars with automatic couplers, sill steps, grab irons, and continuous brakes, and their locomotives with driving-wheel brakes, and for other purposes.

*Be it enacted by the general assembly of the state of Ohio, That it shall be unlawful for any common carrier to engage in moving traffic by railroad between points within this state to use on its line any locomotive in moving such traffic not equipped with power driving-wheel brakes and appliances for operating the train-brake system, or to run any train in such traffic that has not seventy-five per centum of its cars in such train having their brakes used and operated by the engineer of the locomotive drawing such train, and all power-brake cars in such train shall be associated together and have their brakes used and operated. The commissioner of railroads and telegraphs may from time to time, after full hearing and for good cause shown, increase the minimum percentage of cars in any train required to be operated by power or train brakes, and failure to comply with any such requirement of said commissioner shall be subject to a like penalty as failure to comply with any requirement of this act.*

Sec. 2. That it shall be unlawful for any such common carrier to haul or permit to be hauled or used on its line any locomotive, car, tender, or similar vehicle used in moving state traffic not equipped with couplers coupling automatically by impact, and which can be uncoupled without the necessity of men going between the ends of the cars.

Sec. 3. That it shall be unlawful for any such common carrier to haul or permit to be hauled or used on its line any locomotive, car, tender, or similar vehicle used in moving state traffic not provided with secure grab irons or hand holds in the sides and ends thereof. Each and every car used in the movement of state traffic shall be provided with secure sill steps on each end of each side thereof.

Sec. 4. That it shall be unlawful for any such common carrier to use any locomotive, tender, car, or similar vehicle used in the movement of state traffic that is not provided with drawbars of the standard height, to wit, standard-gauge cars, 34½ inches; narrow-

gauge cars, 26 inches, measured perpendicularly from the level of the tops of the rails to the centers of the drawbars. The maximum variation from such standard heights between drawbars of empty and loaded cars shall be three inches.

SEC. 5. That any such common carrier may refuse to receive from connecting lines or from any shipper any car not equipped in accordance with the foregoing sections of this act.

SEC. 6. That any such common carrier using or permitting to be used or hauled on its line any locomotive, tender, car, or similar vehicle or train in violation of any of the provisions of this act shall be liable to a penalty of one hundred dollars for each and every such violation, to be recovered in a suit or suits to be brought by the state's attorney in the circuit court of the county having jurisdiction in the locality where such violation shall have occurred; and it shall be the duty of such state's attorney to bring such suits upon duly verified information being lodged with him of such violation having occurred; and it shall be the duty of the commissioner of railroads and telegraphs to lodge with the proper state's attorney's information of any such violations as may come to its knowledge: *Provided*, That nothing in this act contained shall apply to locomotives, tenders, cars, or trains exclusively used in the movement of logs, and when the height of the drawbars on such locomotives, tenders, and cars does not exceed 25 inches; or to street cars, or to locomotives, tenders, cars, similar vehicles, or to trains used in interstate commerce.

SEC. 7. That any employee of any such common carrier who may be killed or injured by any locomotive, tender, car, similar vehicle, or train in use contrary to the provisions of this act shall not be deemed thereby to have assumed the risk thereby occasioned, although continuing in the employment of such carrier after the unlawful use of such locomotive, tender, car, similar vehicle, or train had been brought to his knowledge, nor shall such employee be held to have contributed to his injury in any case where the carrier shall have violated any provision of this act when such violation contributed to the death or injury of such employee.

SEC. 8. The commission of railroads and telegraphs is hereby authorized to grant to narrow-gauge railroads, upon full hearing and for good cause, a reasonable extension of time in which to comply with the provisions of this act: *Provided*, That in no case shall such extension or extensions in the aggregate exceed the period of one year from the passage of this act.

SEC. 9. All acts and parts of acts in conflict with the provisions hereof are hereby repealed.

SEC. 10. This act shall take effect and be in force from and after its passage.

The PRESIDENT. I understand that this is a copy of the bill that it is desired shall be enacted into law in the various states that the commissions represent here.

That is the recommendation of the committee. This bill has already been passed in Ohio, and it is desired to have it enacted in the other states.

Mr. McMILLIN, of Washington. I understand the bill will be made a part of the report of the committee.

Mr. MOSELEY, of the Interstate Commerce Commission. Yes, sir.

Mr. KILPATRICK, of Illinois. I move the adoption of the report.  
The motion was carried.

The PRESIDENT. We will now take up the report on grade crossings.

Mr. McNEILL, of North Carolina. The report of the committee on grade crossings is as follows:

#### REPORT OF THE COMMITTEE ON GRADE CROSSINGS.

The subject referred to your committee was fully reported on in our last annual convention. We would emphasize what was then said about the importance of it by calling

attention to the fact that in the year ended June 30, 1902, resulting from movement of trains, locomotives, or cars at highway grade crossings, there were in the United States 1,326 persons injured, of which injuries 824 were fatal; in the year 1903, 1,426 persons were injured, of which injuries 895 were fatal; in the year 1904, 1,453 persons were injured, of which injuries 804 were fatal. We have no doubt but that the number of these accidents would have been greatly lessened if this subject had received the attention that it deserves.

In many instances grade crossings can be abolished, either by making over or under crossings or by changing the route of one of the intersecting roads, with but little expense, and with no inconvenience to the traveling public. Experience demonstrates that neither the pecuniary interests of railroad companies nor the safety of the traveling public, intrusted to some extent to highway supervisors, will stimulate both or either to such diligence as will prevent this grievance.

It seems that nothing short of adequate laws requiring that grade crossings be abolished where practicable, and where impracticable that the most approved safeguards be adopted, and making it the duty of the railroad commissioners or some other department of the government to enforce such laws, will answer the purpose. In some of the states they seem to have well-considered laws on the subject—for example, Massachusetts, Connecticut, and perhaps others. From these laws a statute could be easily framed which would be adapted to the local conditions in any state.

Your committee would therefore respectfully recommend that each member of this association charge himself with the duty of ascertaining whether in his state adequate laws have been enacted to prevent injuries at grade crossings, and if not, to present the matter to the law-making power of his state at the first opportunity and insist upon the enactment of proper laws for the accomplishment of this purpose.

Mr. McNEILL, of North Carolina. I will say that at the last convention my friend Mr. Chadbourne made a report, a very full report, on this subject, and discussed the matter very fully before the convention; and the principal thing that this report adds to that is the recommendation that each member of this association charge himself with the duty of having proper laws enacted.

Upon examination I found that our state has very imperfect laws on the subject. I think we can take it up and have proper laws passed at the next session of our general assembly.

We did not undertake to set out the laws of any state, because local conditions are somewhat different, but, as suggested here, we believe that statutes can be easily framed to meet this matter by reference to those in the states to which we have called attention.

Motion to adopt report was carried.

Mr. EARLE, of South Carolina. Before we go any further I would like to ask if the secretary has the bill in regard to promoting the safety of employees and travelers upon railroads; and if so, I wish he would read again section 7 of the bill he read before.

The seventh section was read.

Mr. EARLE, of South Carolina. In the first place, that is a bill that it is proposed the commission will recommend to the several state legislatures. I do not think that the courts would listen to that part of the bill very long. In the second place, as a matter of fact,

a great many states have roads running through them which are not incorporated in those states.

Mr. SILER, of Kentucky. I rise to a point of order.

Mr. EARLE, of South Carolina. I simply want to reconsider that report.

Mr. SILER, of Kentucky. It can be considered if it is gotten before the house in the proper way.

Mr. EARLE, of South Carolina. I move that the report be reconsidered.

Mr. SILER, of Kentucky. I call for a division.

On a division the motion to reconsider was carried.

The PRESIDENT. The consideration of the report on safety appliances is again before the convention.

Mr. EARLE, of South Carolina. I was going on to say that a great many of these railroads are not chartered in all the states through which they run. Over those such state legislatures have no jurisdiction, and if a suit is brought against a railroad company that is incorporated in another state, they simply take it into the United States circuit court. This section takes away the authority any man who is damaged on a railroad has to sue the engineer or conductor if the injured man is held not liable in any way, shape, or form. If a man is injured what right have we to go there and attach any blame at all or connect the engineer or conductor with the railroad company, which is a foreign corporation, and which may carry the case into a United States court? If our state passes that law why then our own supreme court will say the engineer or conductor is not liable, and we can not attach the engineer or the conductor of that railroad company and carry the case into the state courts and the railroad company will simply move to carry that case into the United States court and defeat the very advantages which the several states are trying for to-day. I did not read it before.

Mr. McCHORD, of Kentucky. How much must be involved before a case can be taken to a United States circuit court?

Mr. EARLE, of South Carolina. No case can be taken into the United States court under \$2,000.

Mr. MOSELEY, of the Interstate Commerce Commission. What is your objection to the bill?

Mr. EARLE, of South Carolina. I think is is against the interest of the people of any state who are damaged on the railroad, other than railroad employees.

Mr. MOSELEY, of the Interstate Commerce Commission. How does it affect anybody but railroad employees?

Mr. EARLE, of South Carolina. If the legislature says that they shall not be liable or do not contribute to it then they are not connected with that accident in any way, shape, or form.

Mr. McADAMS, of Indiana. I think the gentleman is mistaken entirely about the situation. If I understand this particular section of the bill, it relieves the person injured of any charge of contributory negligence. That is, it gets rid of the old common-law rule. His objection is that under this condition he can not sue the conductor or the engineman and therefore through them the foreign corporation in the home state. Even if that is true, you can get a great deal nearer to him with your case in the federal courts than you could by taking it into the state court without it.

Mr. MOSELEY, of the Interstate Commerce Commission. This section has no connection with any other person than an employee or his representative who is suing a railroad company because of injury or death. The federal law has gone as far as this and it has been in force now for a good many years. Such law was passed to do away with the doctrine of the assumption of risk. Formerly a person going into any employment assumed the risk of that employment. Since the enactment of the federal statute there has crept into the decisions of the federal courts an equally effective method of getting rid of paying for men killed and injured, and that effective method is the defense of contributory negligence. This doctrine has been carried even to the point of declaring that if the man engages in an employment he has contributed to the negligence, because if he was not there he could not have gotten hurt, and the mere fact of his being at the place at the time of the accident is contributory. At the present session of Congress the House of Representatives has passed almost unanimously a bill containing provisions similar to this section. The Ohio legislature has recently passed this bill, as I have shown, and it has become a law. Substantially, almost word for word, the state of Illinois has passed a similar measure. No one can successfully point out where there is any relation between anything at all in this section, except the relation between the railroad employer and the employee.

Mr. MILLS, of Minnesota. You have examined this act very carefully. I should like to know if section 7 exempts an employee from his own personal negligence; that is, if the machinery was all right and everything else was all right and the engineer, on account of his own personal negligence, caused an injury, does that bill give him a right of action?

Mr. MOSELEY, of the Interstate Commerce Commission. Certainly not. It only gives him the right of action when his employer has been the cause of his injury.

Mr. CHADBOURNE, of Maine. Am I right in my impression that in section 7 you refer to locomotives, cars, and such like, such as have not been equipped as directed in that act?

Mr. MOSELEY, of the Interstate Commerce Commission. They shall

not assume any risk "after the unlawful use of such locomotive, tender, car, similar vehicle or train has been brought to his knowledge."

In other words, if his employer is using a car with an old-fashioned link and pin and the employee knows it, under the law, as it formerly was, his knowledge of the fact that he was using it was sufficient to prevent his recovery. Now if the carrier is in violation of the law, the fact that the employee knows that it is in violation of the law does not bar his recovery.

I want to say one other thing in regard to this matter, and it narrows itself down to this, that this convention has repeatedly urged this legislation upon Congress. The only thing in this bill that was not in the original bill is this thing at the end: "Nor shall such employee be held to have contributed to his injury in any case where the carrier shall have violated any provision of this act, when such violation contributed to the death or injury of such employee."

If an employee is killed and the carrier did not contribute to his death, this law will not apply, but where an employer in his violation of law has put the employee in a position where he either is killed or injured then this law applies.

The motion to adopt the report was carried.

The PRESIDENT. The next report is that of the committee on railway statistics.

Mr. KILPATRICK, of Illinois. The report of the committee on railroad statistics is as follows:

#### *REPORT OF THE COMMITTEE ON RAILROAD STATISTICS.*

At the meeting of the National Association of Railway Commissioners, held last August, at Deadwood and Hot Springs, S. Dak., two questions were submitted to the standing committee on railroad statistics for consideration and report. The first of these questions was suggested by a letter from Mr. R. C. Richards, general claim agent of the Chicago and Northwestern Railway Company, to the Hon. Ira B. Mills, the then president of the Association of Railway Commissioners. This letter, which will be found on page 41 of the printed proceedings of the convention, recited in effect that the railways as well as the commissioners of the several states would be greatly benefited should a uniform blank be adopted for the report of accident statistics.

At a meeting of this committee, held in Chicago, January 27, steps were taken to collect the forms used by the several states and to obtain recommendations from state officials relative to the best method of establishing uniformity of accident reports. From the material thus brought together it was made evident that, while holding in view the same general purpose, considerable diversity existed in the procedure of the several states. Quite a number of replies to the circular letter issued by the committee indicated satisfaction with the Interstate Commerce Commission form of accident returns; others, while recognizing that uniformity was desirable, made no definite suggestion as to the best method of attaining this result. One state, and without doubt there are others in the same situation, called attention to the fact that the form of report used was determined by statutory provisions which could not be disregarded.

In view of the general situation, as disclosed by this correspondence, of the large number of uses to which accident statistics are put, of the relation of state commissions to the federal

commission, and of the fact that this association has a standing committee on safety appliances, your committee begs leave to record the following conclusions:

First. That general uniformity of report is highly desirable, but that this uniformity should not proceed so far as to interfere with the investigation of special questions which any state commission may desire to undertake.

Second. That state commissions be advised strictly to confine their published statistics of accidents to such accidents as occur within the boundaries of the states which they represent.

Third. That the committee on safety appliances or this committee, or the two committees jointly, be instructed to compile for the use of this association all laws and police regulations relative to railway accidents, whether to employees, passengers, or other persons for which provision is now made by the statutes of the several states.

Fourth. That this committee be requested to compile for the use of this association all laws or administrative rules of leading foreign countries relative to the collection and compilation of railway accident statistics.

The second question, referred to this committee by a resolution offered by Mr. Staples, of Minnesota, was suggested by a paper read by Mr. Yapp, assistant secretary of the railroad and warehouse commission of Minnesota. It pertains to the best method of dividing capitalization, operating income, and operating expenditures by state lines. The paper read by Mr. Yapp referred to the resolutions adopted by this convention in the year 1895, which read as follows:

As a brief expression of the best judgment of your committee on this matter, we beg leave to present the following resolutions for your consideration:

(1) *Resolved*, That in making their reports to state railroad commissioners the railroad companies shall apportion to each state, on a mileage basis, its proportion of cost of road and equipment, its proportion of stock, funded and other debt, and its proportion of fixed charges.

(2) *Resolved*, That the apportionment of operating earnings to each state shall be on the following basis, viz, each state shall be credited with all the earnings derived from business originating, terminating, and being carried entirely within such state, and its mileage proportion of all interstate business.

(3) The earnings and income from other sources than transportation of such railroad companies shall be credited to each state on a road-mileage basis.

(4) The operating expenses shall be charged to each state on the basis of train mileage in such state.

(5) The reports on above bases, in those states so requiring, shall be made the first time in the reports for the year ending June 30, 1896.

Your committee has taken this matter under advisement and desires to express the opinion that the present unsatisfactory condition referred to by Mr. Yapp is due to the fact that rules already adopted by this convention have not been observed by the states. In view of this fact and of the further fact that the present does not appear to be an opportune time for undertaking a revision of the rules in question, your committee begs to recommit the subject under consideration to the advice of the association.

A third matter was referred to this committee in connection with the committee on construction and operating expenses of electric railways. This question pertains to the extent to which the operating and construction expenditures of electric railways and of steam railways may be harmonized. A representative of this committee met with the committee above referred to, and as a result a report was formulated which, it was decided, should be presented by the chairman of the committee on construction and operating expenses of electric railways.

Quite a number of other questions relative to the proper collection and compilation of railway statistics have been considered by your committee, but none have developed far enough to warrant a definite report at this time.

Mr. STAPLES, of Minnesota. I move the adoption of the report.

Mr. YAPP, of Minnesota. I was going to ask a question in connection with the report in regard to the apportionment of the earnings

which reads: "The operating expenses shall be charged to each state on the basis of train mileage in such state."

Do I understand that it is the intention that all the operating expenses are to be charged to the respective states on the basis of train mileage; or, should actual earnings, where they can be obtained be charged first, and the balance on the basis of train mileage?

Mr. KILPATRICK, of Illinois. My understanding of the matter is that the actual operating expenses within the state's borders, where they can be determined, are at first to be applied, and then a proportion of the other expenses on the basis suggested in the report.

Mr. YAPP, of Minnesota. If that is the view taken by the committee, that leads on to a second question. Where it comes to the question of large terminals in the respective states, under your ruling now, the expenses of terminals are charged up to operating expenses of each state. It is a question, in my mind, where terminals have the benefit of many states, using many lines of railroad, would not low mileage be better for these terminals?

Mr. STAPLES, of Minnesota. I think a point might be instanced to emphasize what Mr. Yapp has just stated. If I am mistaken, I will ask Mr. Sturgis to correct me. If you adopt the basis of charging all local expenses which can be determined to the operating account—you take the Burlington road in the state of Minnesota, and it has but few miles, but very expensive terminals—if you charge those up entirely to operating expenses, you will find that the operating expenses leave absolutely nothing. The credit is on the wrong side. It seems to me that is not a fair way to apportion operating expenses.

Mr. ADAMS, of the Interstate Commerce Commission. Mr. Sturgis has in his hand that resolution. I would like to have him read that resolution, and I intended to ask whether the chairman of the committee was quite right when he said that the terminal expenses were not to be apportioned as all other expenses. I think the resolution suggests that all the expenses are to be apportioned on the train-mileage basis. That is the rule as it is at the present time, as I understand it.

Mr. STURGIS, of the Association of American Railway Accounting Officers. The understanding which Mr. Adams refers to is section 4, which reads as follows:

Fourth. That this committee be requested to compile for the use of this association all laws or administrative rules of leading foreign countries relative to the collection and compilation of railway accident statistics.

The second question, referred to this committee by a resolution offered by Mr. Staples, of Minnesota, was suggested by a paper read by Mr. Yapp, assistant secretary of the railroad and warehouse commission of Minnesota. It pertains to the best method of dividing

capitalization operating income and operating expenditures by state lines. The paper read by Mr. Yapp referred to the resolutions adopted by this convention in the year 1895, which read as follows:

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(4) The operating expenses shall be charged to each state on the basis of train mileage in such state.

(5) The reports on above basis, in those states so requiring, shall be made the first time in the reports for the year ending June 30, 1896.

Mr. YAPP, of Minnesota. That is what I had reference to.

Mr. STAPLES, of Minnesota. May I ask a question? Do you understand that to be comprehensive, or sufficiently comprehensive to embrace terminal expenses?

Mr. STURGIS, of the Association of American Railway Accounting Officers. I think this leaves it too wide open; in fact, if I am not giving away the secrets of the committee, I will say that these former conclusions, which we quote in our report, do not, in our judgment, go into the question deep enough. We quoted these former conclusions because we could not very well at this time work any more satisfactory theory. We are rather trusting to the future, as the report goes on to suggest, and expect to solve the problem at another time, and I think that is shown in the resolution at the end, which reads:

Your committee has taken this matter under advisement and desires to express the opinion that the present unsatisfactory condition referred to by Mr. Yapp is due to the fact that rules already adopted by this convention have not been observed by the states. In view of this fact, and of the further fact that the present does not appear to be an opportune time for undertaking a revision of the rules in question, your committee begs to recommit the subject under consideration to the advice of the association.

Mr. DICKEY, of New York. I move that the matter be recommended to the committee, with instructions to report at some future time.

Mr. LAWRENCE, of Washington. I do not know that this will be of

any general interest, but our state has been greatly interested in this particular branch, for the reason that one of our railways refuses to report, or failed to report, and the auditing department referred the matter to the legal department, as to the form of report required, which is like the form used by the Interstate Commerce Commission, which stated that a satisfactory reply could not be made on account of the division on the state line, and in response to that we replied that the matter would be held in abeyance until after this convention, hoping that there would be some plan adopted whereby we could get a satisfactory report made to your commission—that is, such a division of the operating expenses, etc., on the state line, as would make an intelligible report to us. So that it is with regret that I would see the matter referred to the committee for future action, unless we have it understood as to what shall govern in the meantime.

Now, then, as a question of information, would the old rules referred to govern in the meantime, and would they govern the different states and the railways having interest in the divisions based on state lines? I would ask the committee generally for information on that point. We would like to have some practical solution of this matter at once, because our report is held up pending a decision on that line.

Mr. ADAMS, of the Interstate Commerce Commission. Might I say just one word there? It seems to me that an answer to the question just presented is that there have been rules adopted by this convention—they were adopted in 1895—and those rules always have been, and they are now, in force, so far as the adoption by this convention can place the rules in force. It lies entirely within the option of the executive officers of the several states whether or not they will apply those rules. The committee did not feel that it could at the present time better those rules; nor, on the other hand, did it desire to express absolute approval of all those rules in detail, but I think we may say that upon the whole, under the present conditions, those are as good rules as we can hope to get. Those rules are printed in this report.

The motion to adopt the report was carried.

Mr. MORGARIDGE, of Pennsylvania. I move you that we adjourn to meet to-morrow morning at 9.30 o'clock.

Thereupon, at 1 p. m., the convention adjourned until 9.30 a. m., April 5.

#### FOURTH DAY'S PROCEEDINGS.

WASHINGTON, D. C., *April 5, 1906—9.30 a. m.*

The PRESIDENT. The first report this morning to be considered is the report of the committee on rates and rate making.

Mr. CHADBOURNE, of Maine. As chairman of that committee, on the

4th day of February I sent out a letter to each member of the committee asking for suggestions or for a draft of a report. I received three responses containing valuable suggestions, as follows:

For these I have prepared a preface. The preface and suggestions read as follows:

### *RATES AND RATE MAKING.*

#### PREFACE OF MR. CHADBOURNE.

To assemble the ideas of men from so wide an area, differing in so many conditions, and brought in contact with the transportation problem in so differing phases as the members of your committee on rates and rate making, treating each member, his views and experiences, fairly, is no easy task. All agree up to a certain point. All differ in certain lines.

The business of transportation, like any other business, depends for its revenue upon selling its product—its services—at the highest and best price it can, considering all the varying conditions of cost by water or rail and the competition therein; construction, gradients, alignment, and the improvement thereof; equipment and its maintenance and enlargement to meet constantly increasing traffic, ordinary and extraordinary; volumes in their quantities, qualities, and distributions; territories as to their productiveness and possibilities for development. In fact, all the conditions of life and its living, growth and the growing.

The body that has the rate-making power has the determination of the earning power of the railroad, its destiny, and that of the community. Such a body should be wide in its experiences, wide in its grasp of affairs, wide in its appreciation of the almost unlimited resources of the country, and the part played by the railroads in their utilization. Commissioner Lawrence, of Washington, says, "That rate making is a science is not seriously contended; that it is an art is beyond question." If science is the accumulated and established knowledge, which has been systematized and formulated with reference to the discovery and development of general truths and laws, then rate making and its general bearing upon the work of the world must be listed among the sciences. The development of any given territory is the history of the extension of its railroad lines. As one example, no one can go over the lines of the Southern Railway without being impressed with the wonderful progress made and being made in all material interests, and a feeling that some forces more and grander than selfishness and greed for gain on the part of that railway have dictated its policies and brought such benefits to its territory. Towns and cities have grown and are growing; all the interests of agriculture have been helped enormously; manufacturing and mining enterprises have been promoted and developed. The cotton crop has been trebled and cotton manufactures developed until now in volume the larger percentage of consumption of the country is in the South. The great western lines have developed a wonderful country whose products are now being distributed world-wide. Loading cars for the East, and by favorable rates alone loading cars bound home that would otherwise return empty. Witness the Great Northern and its connecting steamships, notably the *Dakota* and *Minnesota* leviathans of the deep, carrying the cloth of Biddeford, the locomotives of Philadelphia, the cloth of South Carolina, the nails of Alabama; in fact, the products of the wide country to the great East—the developing market. So the country grows, and in the promotion of that growth the first address is made to the transportation companies as to rates for the distribution of products to the widest extent in competition with all other areas like conditioned as to crude materials.

What standard, rule, or data can be established that shall be fair and effective? Whoever solves this problem will do not only the railroads a mighty service, but he will be the commended of the whole business world. Discriminations and rebates, like other wrongs, can be punished as they are brought to light. A rate to be fair, bear equitably, and accomplish the most for all concerned is a broader question and one demanding greater knowledge and skill in its solution.

That developments have gone on to such an extent; that the railroads have developed themselves and their territory enormously, as they have, speaks much for the intelligence, skill, integrity, foresight, and conservatism of the rate-making authorities, commissioners, or individuals.

To formulate any plan or plans of rate making demands the best talent on these lines, considering the rights and interests of the producing locality as well as those of the great whole, as producers and consumers. It would seem that those who are in intimate contact with the transportation business should know as much about it as anyone, and any effort that shall bring that knowledge to the use of any official body having rate-making power must be profitable to all. Would it not serve a good purpose to bring, if possible, some representative of the traffic managers into the deliberations of this association? It goes without saying that the benefits of our contact with the accountant associations of the steam and electric roads have been great. Why not join the traffic managers if such a union of endeavor can be brought about? There is a community of interest in this great question. Why should there not be a community of endeavor? We are all public servants, trying to work out what shall be of the greatest good to the largest number.

The common ground upon which this committee can stand is well known; other and perhaps wider details can only be brought out by their discussion by the committee of the whole. Such suggestions as have been made by individual members of this committee are herewith submitted.

#### *SUGGESTIONS ON THE SUBJECT OF RATES AND RATE MAKING.*

BY COMMISSIONER COCKRELL.

Rates should be just and reasonable, with as much stability as possible, and should not be discriminative as to persons, products, or locality, and should cover the entire cost of transportation from origin to destination, including all intermediate services and charges. The first making or initiation of rates should be left to the railroad. The railroads should bear in mind that they are devoting their property to public use, and when so devoted it is subject to public regulation—regulation by the states within their territorial limits and by the United States as between the states.

A railroad is a public highway, and none the less so because constructed and maintained through agency of a corporation deriving its existence and powers from the state. Such a corporation was created for public purposes. It performs a function of the state. Its authority to exercise the right of eminent domain and to charge toll was given primarily for the benefit of the public. It is under Government control, though such control must be exercised with due regard for the constitutional guaranty for the protection of its property. It can not therefore be admitted that a railroad corporation maintaining a highway under the authority of the state may fix its rates with a view solely to its own interests and ignore the rights of the public. But the rights of the public would be ignored if rates for the transportation of persons or property on a railroad are exacted without reference to the fair value of the property used for the public or the fair value of the service rendered, but in order simply that the corporation may meet operating expenses, pay the interest on its obligations, and declare a dividend to stockholders.

The railroad service is not solely a commodity of private ownership which has not been devoted to any public use. On the contrary, it is performing a service for the public and in which the public has an interest, and under the law of the land for such a service it can only charge a just and reasonable rate. Each state must determine for itself to what extent it will regulate and control railroads, either directly or through commissions. Interstate commerce is within the exclusive power of Congress to regulate, either by laws directly or through authority granted to the Interstate Commerce Commission to make and prescribe proper rates and regulations, and Congress must determine to what extent the authority should be granted to such Commission.

*SUGGESTIONS ON THE SUBJECT OF RATES AND RATE MAKING.*

BY COMMISSIONER LAWRENCE.

The term "rate making" as applied to a railway is the price at which it sells its service. It is the railway's commodity, its stock in trade, the means through which it derives its revenue. The railway is engaged in the business of selling transportation. The price at which it is sold is the essential factor in its business; it is the same to the railway that the marked price of each article for sale is to the merchant, the price of labor to the mechanic, the fee for his services to the physician or the attorney, the market value of produce to the farmer, and the terms by which all business transactions are carried on.

That rate making is a science is not seriously contended; that it is an art is beyond question. Some one has said that rate making is a guess and the best guesser becomes traffic manager. This may be true, but it requires years of experience and training to make a good guesser. The rate in the first instance may be a guess, but the adjustment of rates and their relationship calls out the highest ability in the railway service. The amount of the rate is scarcely more important than the effect of the rate, either on the individual, the community, or on other lines. The traffic men must have in consideration not only the question of revenue to the company, but the effect on the movement of freight. The movement of freight in each direction must be balanced as evenly as may be to avoid hauling empty cars. To cause freight to move, and to secure loads for returning cars the rate must be made low enough to secure the business. An instance of this was seen upon the completion of the Great Northern to Puget Sound. Mr. Hill made extremely low rates, compared with previous existing rates, on lumber and shingles in order to secure a sufficient tonnage east bound, to avoid a long haul of empties; the prevailing tonnage being then west bound. The effect of this was to cause an awakening of the lumber and shingle business of Puget Sound. The Great Northern and other railways still maintain the low rates on lumber and shingles, but in order to secure tonnage for empty cars west bound, the prevailing tonnage now being east bound, the railways have been compelled to make low rates on cotton and other products, and to find a market for such products it has been necessary to go beyond the West, across the ocean to India, that fabled land to which voyagers have striven in vain to find a passage by water. The practicable northwest passage to India was found to be by rail. All this constituted a gigantic problem in rate making, solved by a master mind. The effect has been a general lowering of rates on the commodities named, without an advance in other rates, many of which have been lowered.

It is admitted that little attempt is made to base a rate on the cost of the service. While the cost of the service may be had in mind, there are many other elements to be taken into consideration—as for instance, the effect of a rate, or a change in rate on other lines, and in all its relationship, including the movement of cars. In the matter of revenue there must be considered, not only the paying of operating expenses, fixed charges and dividends, but there must be allowance made for betterment of way, structures, and equipment. Grades must be lowered, curves eliminated, new rails laid, steel bridges built to replace wooden ones, powerful locomotives and new rolling stock to replace antiquated ones, and additional tracks laid to handle the traffic and for the safety of operation. The road must be kept up to the highest standard of efficiency in every way, including new and better train service. And all of this must be provided for out of the revenue produced by the rate. There must also be taken into consideration the lean years as well as the fat years—years of crop failure, and periods of financial depression.

The question of the right of the state to fix rates is well settled. When the railways assume the common-law function of common carriers, and because they are common carriers, and by accepting their charters, they voluntarily subject their property to public use. It is then fair and right to control their rates by law, because railways are monopolies; and the law of self-government, as well as fairness, justifies and demands that the people through their government should control the railway rate by law.

There are three phases to the question of rate making by the state: That of making the rate in the first instance on its own initiative; that of equalizing and adjusting the rates on its own motion; and that of taking action only upon the complaint of a shipper who alleges injury by reason of an unfair rate. The first would seem inadvisable, the second fair, and the latter right. In fact, a combination of the last two gives a good balance and protects the state in the matter of public policy, when an individual shipper might be satisfied by the railway complained of and the case withdrawn, while the general public would still suffer.

The general complaint, out of which has grown the exercise of the authority of the state to fix rates, has not been entirely a question of the rates themselves, but the abuses growing out of the management of the railways affecting the public. The almost indiscriminate issuance of passes to public officials of high and low degree in every branch of the state and national service, including the judiciary; the practice of granting favors to certain shippers in rebates and discriminations; and favoritism to certain localities, has reached such proportions that a halt has been called and the call must be heeded. The public is justly aroused, and care must be taken that it does not go too far. While the cry is against the railways for such practices it must be remembered that they have been importuned for free transportation by a large element of the clamoring public, and that officers have looked upon this as a right and a perquisite of office. Shippers and business men have regarded the railways as legitimate prey for whatever could be "worked" out of them; that the brainy men of experience in traffic in charge of the railways have had pitted against them men as great in ability and greater greed, crying to them all the time "give, give," with a different tone but the same meaning as the man behind a mask with a gun. Nor have communities been innocent, but have sought to profit at the expense of a neighbor or a rival appealing to the business instinct of the railway traffic man to aid and protect them. It has been "Every fellow for himself, and the Devil take the hindmost."

Each state has its own peculiar problems. In the state of Washington, for instance, two great questions are "joint rates" and "distributing rates." In other states these questions would not be presented. With the railway commissioners it is not so much a question of rate making as or rate revision, although the two are so closely allied as to be almost indistinguishable. Critics say that all rates made by the state must necessarily be based on the distance tariff, the objection to which is that it prevents the present long haul at a low rate in order to furnish a market for products in distant communities, or to distribute manufactured goods, and is against the best interests of the people as a whole in the distribution of the necessities for mankind. It does not follow that a distance tariff schedule should be based on the theory that if a bushel of wheat can be carried 1,000 miles for 10 cents it can be carried 500 miles for 5 cents or 100 miles for 1 cent. The elements to be taken into consideration in making up rates forbid this. A distance tariff basis should undoubtedly govern. Railways now find distance tariffs a necessity. The state would simply take the same distance tariff and bring it down to somewhere near the existing level of special-class and commodity rates, leaving it there as a maximum. This would cause the minimum of disturbance of existing rates and eliminate what otherwise appears as discrimination and favoritism between communities.

Classification is an important element in rate making; so important that rate regulation must mean regulation of classification as well, but this is a subject assigned to a different committee, and need not be further mentioned here.

There should be three cardinal principles governing rate regulation by the state—equality to individuals, to shippers, and to communities. The first eliminates free and reduced transportation except to such as are entitled to receive it. The second is of greatest importance, correcting the evils of discriminations and rebates in favor of certain shippers. Out of this practice there has grown up the greatest abuse. Correct this, place each shipper upon an equality, whether big or little, so that the big shipper pays exactly the same price for the same service as the little shipper, and the interests of the shippers are made identical; and

the question of unreasonable rates, while not entirely settled, will have been so nearly adjusted that the remainder of the solution will be easy.

Finally comes the question, "What are high rates, and what should be the limit of rate regulation?" After eliminating favoritism, discriminations, and rebates of every kind, nature, and description whatever, the question remains as to the limit of rate reduction. In the course of time the roadbed should be perfected as nearly as may be, as to grades and curves, tracks, bridges, and structures, lessening the cost of transportation and reducing the cost of maintenance to the minimum. The time must be in contemplation when all outstanding indebtedness is paid, thus lessening the items of fixed charges. This can not be done quickly, and yet, during the time all of this is in progress careful supervision is needed that the present generation is not made to bear the burdens that should be carried by a generation to come. This work should be carried forward as required in maintaining a high standard of efficiency of freight and passenger service. After the payment of reasonable dividends to stockholders every dollar of revenue earned by a railway should be put back into its business, and that business should be confined to transportation. There should be no cutting of "melon" or distribution of "pie." There should be reasonable salaries paid to the officers and fair compensation to employees. Allowing for the setting aside of a reasonable sinking fund to cancel, in time, outstanding indebtedness, taking into consideration the improvement necessary to the highest standard of efficiency and economy of operation, all earnings in excess of such requirements should be kept within bounds by a gradual reduction of rates. This must be done fairly and intelligently, with the greatest attainable harmony between the traffic men of the railways and the railway commissioners representing the state. And, until that indefinite time in the future when the roadbed and equipment have reached a standard where further improvement is impracticable, when the basis of dividends has been settled, and the reasonable amount of net earnings agreed to, there will be continual need for the exercise of care and ability on the part of the railways and the state in the consideration of the many and complex questions of rates and rate making.

#### *SUGGESTIONS ON THE SUBJECT OF RATES AND RATE MAKING.*

BY MR. YAPP.

Rates and rate making is so vast a subject that this committee should in the future be elected if possible with a view of enabling them to hold frequent meetings and agreeing on some recommendations to be brought before this convention; and would suggest that at least one traffic manager should be appointed by the president of the convention as an honorary member of this committee, who could meet with them and discuss the various questions at issue from a railroad standpoint, which would certainly better enable your committee to make its recommendations. It would also be a wise move to invite at least one or two other traffic officials to take part in the discussion of these rate matters when before the convention, which would have the effect of placing before its members the questions from both sides and enable them to come to conclusions in a more intelligent manner.

The fact that so many of the states, through the railway commissions, exercise a supervising power over the question of rates and rate making makes it incumbent on this association to recognize that the exercise of this supervision represents the demands of the people, and is a necessary function of state control of railways; and as the railway companies recognize the right of the state to this control, the great importance of the question demands that we consult with traffic officials and such other sources as will tend to throw light on the subject, believing as we do it is always the purpose of the state to be fair to both the railways and the people.

Discrimination in freight rates seems to be the most important factor and causes more dissatisfaction among the general public than any other grievance; occasionally complaints are made about rates being too high, but these are easily dealt with as compared

with the so-called discriminations. The federal law, which allows railroad companies under certain conditions to charge a greater rate for a short haul than for a long haul, is largely responsible. Certain states in the Union hold the long and short haul clause inviolate, so that the long line road has to "blanket" its rates back if it desires to meet a certain rate made by the short line to a competitive point. Very frequently we find commodities hauled from a given terminal point through a state into a competitive point in another state at a less rate than applies to the stations in the first state, which, of course is explained by the railroads having to do this in order to meet competition, and, being interstate, it is permissible; but you can not convince under any circumstances the people at the stations in the first state that it is not discriminatory, for they will immediately reply that if a railroad company can carry freight past their own door into another state at a lower rate, they can at least carry it to their towns at the same rate.

If state commissions promulgated maximum rates, would not the railroad companies be justified in going out of the competitive business at a competitive point if rates were not compensatory, thereby maintaining the higher rates at the intermediate points and points beyond the competitive point? This naturally would result in a commission being swamped with complaints from the patrons of the long line on each side of the competitive point, and it would be solely on the question of discrimination.

Again, if it is necessary for a state railroad to meet the competition of an interstate road at a given point on a commodity covered by a class rate, it would be far better for the state railroad to take the commodity in question out of the class rates and place it in an independent commodity tariff instead of reducing its class rate, which would affect all other articles of that particular class at that competing point.

Another feature in the making of interstate rates is where the sum of the two local rates from a terminal in one state to the terminal in another state, added to the local state rate from the second terminal point, makes a lower rate than the direct through joint rate from point of shipment to point of destination, which is caused by certain classified articles being taken out of the merchandise tariff sheets and put into a commodity rate sheet at a less figure than the classified rate between the two terminal points where large shipments are moved; so that the joint merchandise rates from the first terminal to point of destination beyond the second terminal would be higher than the combination of the commodity rate between the terminals plus the local rate out of the second terminal.

The railroad companies will at once tell you that no commodity shipments move forward on the through joint tariff when the sum of the two locals make a lower rate, but we know in some instances that shipments have gone forward on the former basis, and on the attention of the railroad companies being called to the fact, the amount of overcharges have been refunded. There is nothing in the tariffs to call the attention of the station agents to these facts, and the man who waybills hundreds of cars each day has not the time to thoroughly search the various tariffs before billing. It is all very well for the public to go to the headquarters of railroad companies where they can get all the information necessary as to tariff rates and combinations of rates; but how many of the station agents know what is the lowest combination of rates that can be made? It can safely be said, very few.

Again, railroad companies will carry freight between two large terminals at very much lower rates than at points intermediate on account of the immense volume of business carried, and consequently the competition is much keener. Rates should be just and reasonable, alike to the shipper and to the railroad; but discrimination is no doubt the outcome of competition, and the question naturally presents itself: Would not competition be stifled if discriminations were discontinued?

These are some of the vital questions which ought to bring out some discussion as to the best method of handling them.

Would it not be possible to have a more uniform method in the state and interstate merchandise class and distance rates than what is in effect to-day, and suggest that what is needed is for the state and interstate officials to stand together and adopt some rule or

method which should be presented to the traffic officials of the various railroad companies with a view to getting their cooperation, uniformity being the desired end.

In the first place, in territory governed by the western classification, the horizontal scale of each of the merchandise class or distance rates should be so constructed that each class should bear a given percentage relative to the first-class rate irrespective of whether the distance be 5 or 500 miles—that is to say, the first-class rate in all cases should be considered as 100 per cent, and each other class should bear a fixed percentage relation to that class. A similar scale should also be agreed upon for the states using the official classification, and also one for the states using the southern classification.

From examination of a number of merchandise class and distance rates (with a few exceptions), we are forced to the conclusion that the rates of the different classes bear no fixed relation whatever to each other, and therefore are of faulty construction, causing discrimination, which has not been done willfully, but through ignoring mathematics in the construction of these tariffs.

Now with reference to the vertical scale: It is conceded that it is necessary in all cases to assume an arbitrary in making up a tariff, which should represent the terminal charges of which there are two in every case, and build on it; the building up of the tariff should be relatively greater for the shorter than for the longer hauls, on the general theory advanced by railroad officials that it costs more to operate for a shorter than for a longer distance in consequence of the terminal charges in addition to the operating expenses bearing a relatively greater percentage. Two methods appear to be feasible, one being the adding to the terminal charge a constant quantity for hauling each mile up to, say, 25 or 50 miles, which hauling charge should be gradually decreased by stages as the distance increases, thereby making the rates on the shorter haul higher than the longer haul. The other method consists of adding to the terminal charge a constant quantity for hauling each 5 miles for a distance, say, up to 150 or 200 miles, then by applying the same constant quantity to each additional 10 miles up to, say, 350 or 400 miles, the same constant quantity to be used to the end of the tariff by increasing the mileage distance to 15 and then 20 miles, and so on. Both methods would have the effect of reducing the rate per ton per mile as the distance increases, but these examples are merely illustrations of two methods which appear to be feasible, and which, if followed out in connection with the horizontal scale outlined above, would have the effect of producing a tariff sheet which would practically be nondiscriminatory.

The tendency is at the present time gradually leaning toward making up tariff sheets on a scientific basis, which will certainly do away to a great extent with so-called discriminations, caused by faulty construction in the first place, and by reductions which have evidently crept into the tariffs by the railroad companies catering to a particular commodity at certain points regardless of the other commodities taking the same class rates, instead of making that particular commodity cater to the rate.

Territory having a large tonnage and a large population should certainly have a lower basis of rates than a territory sparsely settled with a small tonnage, and the difference in making these rates should be made by reducing or advancing the constant quantities for hauling as the case may be.

Mr. CHADBOURNE, of Maine. Mr. Seymour, of this committee, had prepared a paper on the same question, but after having read what I have already submitted he concluded that his views were in so large part in accord with what has been read that he would not submit his paper.

What I have said is simply the assembling of the views of the several members of this committee, and it is submitted as that. I do not know why it is not just as good a report as any report that could be made on the subject. I know, for my own part, that when I

came to look into the matter I saw at once that the thing sought for was a reasonable rate in all instances that should bear equitably and justly on the people and on the railroads, and what that rate was I was absolutely unable to say, and when I came to hunt for a definition of what is a reasonable rate I was reminded of the definition of "a mascot" in the opera "The Mascot," that a "mascot is a mascot." [Laughter.]

Mr. GATES, of Connecticut. I move that the report be accepted and printed in the proceedings.

Mr. LAWRENCE, of Washington. There is one matter I would like to bring to the attention of the association. The question I refer to is that of securing the aid and cooperation of practical traffic men in connection with work of the committee on rates and rate making, or in connection with the work of this association. It was suggested a few days ago, in discussing this question, that it was rather embarrassing to get a traffic man into this association in the discussion of things that would come up, for the reason that the men in this association had in the past almost universally turned against the views of those traffic men. But certainly that objection would not apply on the part of a traffic man in working with the committee on such a subject as rates and rate making, which undoubtedly constitutes the heart of the questions that railroad commissioners are to work upon.

I should very much like to see, whoever may constitute the committee on rates and rate making next year, to have that committee constituted so as to include at least one thoroughly practical traffic man of high standing, if such a man could be secured to accept a position on this committee, to meet with the committee, and I believe the work of this committee should be of a more permanent nature than usually attaches in the case of a committee of this kind—that is, a committee that meets only at the national convention. Other committees which have reported to the association have arranged for some special meetings in the future, and others have had special meetings in the past. This has not been the practice of the committee on rates and rate making in the past, but I believe it would be an excellent plan, if it would meet the approval of the association, that the committee on rates and rate making should be made more of a permanent committee and include one or more practical traffic men to work with us.

The PRESIDENT. I see with us this morning a member of the Interstate Commerce Commission who has attended a number of our conventions in the past and has given us valuable information. I would be very glad to hear from him this morning, and I think the association would also. Will Judge Clements favor us?

Mr. CLEMENTS. Mr. President, I feel loath to consume the time of

the convention this morning at this stage of its proceedings in a discussion of these matters, but, thanking you for your suggestion, I can not ignore it.

There is no more important question than that of rate making in this country to-day, whether exercised by the railways or by the commissions. It is the leading and most important question now before the country, and this is a most opportune time for its intelligent consideration, because the eyes of everybody are on that subject.

As stated by the gentleman from Maine, the chairman of the committee, the question of a reasonable rate is not one that can be settled or for which a definition can be given, like the rule of three or the rule for counting interest, or any fixed measure that will be uniformly applicable. I need not say this to this convention, because the common experience of each one here is to that effect.

It is an easy matter to declare the principles of justice, equity, and right; that a railroad is a monopoly and therefore is not to be, even according to the common law, allowed to do whatever it pleases, like a man does with his horse, or his wagon, or with the goods he sells out of his store, because that privilege would be abused by the railroad, it being a monopoly. Human nature is not yet so near the condition of the millennium that all men can have their interests intrusted to those who have a contrary interest in the management of their business.

Therefore there has always been a necessity for public control and restraint in order to prevent unreasonable rates, and we have been told in some Supreme Court decisions that the declaration of the first section of the act to regulate commerce, that all rates shall be reasonable and just, did not add anything to the law; that that was the law before and always had been since the railways were built—the common law.

As to the general declaration of the principles of justice and right and that it is fair to the railroads that they should be allowed to charge a reasonable rate and one that is fair to the public; that they should be allowed to charge that much but no more—these things are easy to agree upon. They are general principles and they are not in dispute, but when we come to the practical application of this rate and that rate in the details of the business—this tremendous business, almost beyond conception, with the multitudes of rates and business done every day—there comes the difficulty. It can not be solved by laying down uniform rules for application to every case, because that which enters into the question of what is reasonable upon this commodity between points A and B in a given case may be a fact which is controlling in that case but almost absent as a controlling or important fact in another case between two other points in relation to the same commodity. There are so many considera-

tions that have to be taken into account, whether by the traffic manager or the railway commission, and they vary so much in their potency and importance as between particular rates in particular parts of the country from time to time, that it is perfectly manifest there can be no specific strict general rule of uniform application that will work out justice to either party to this controversy. It is very much like the question that goes to the jury in a case when the rule of law is as to reasonableness in respect to a matter of compensation arising out of a contract or tort. That which is reasonable is the rule for the jury. That is the law the court charges the jury with—to do that which is reasonable. What is reasonable is the judgment approved by the consciences of the twelve men that make up that jury, looking to all the facts, circumstances, and conditions relating to the matter in issue, and the best they can do in such cases, where there is no specific rule like the rule of interest or usury or anything of that kind where they are assessing damages and settling matters indefinite in their nature, is to approximate that which the common judgment of the twelve men will approve in their consciences as right, equitable, and fair. That is the only rule that can be applied to it, and that is as near as we can ever get to a uniform rule in respect to fixing railway rates. That will not work out the same rate per ton per mile or according to distance or according to commodities of like character in all parts of this country. Therefore, of necessity, in the application of these principles, recognized as just by all men, in their practical application it must rest in the judgment—the conscience—of men with the fullest possible information in respect to all the matters that could be considered in the influencing of these rates so as to do justice and approximate that which is right, and that is the most that any man or any commission or any class of men or body of men can do—that is, a reasonable approximation, because there is no possible rule by which you can demonstrate whether a particular rate is exactly just or not. One person, having equal information with another, will say that one figure is right, and another will say another figure. But it is practicable, as the government and the courts deal with all classes of questions, as a general rule, to approximate that which is, on the whole, fair and just to both interests, and that is all that can be done. That must be left to somebody. It must be left either to the railroads, through their traffic managers, or to the public through some tribunal, and whoever deals with it must deal with it knowing that the only possible thing—the utmost that can be done—is to approximate, upon a general consideration of all the facts, that which is fairest and in the neighborhood of what is reasonable, just, and right.

Now, the question practically is whether that is to be left to one party interested in the matter or to the other party, or to somebody

that is between the two parties. Railroad traffic managers are made of the same stuff that other men are made of. They are no better; they are no worse. They do about what an equal number of men of the same caliber would do under the same circumstances, and under the same employment, and I have no fault to find with them. I am not referring to them in any spirit of criticism at all, but I want to make this point, that in respect to all matters of controversy, where one party has a right that is involved and has a standing in court to complain and does complain, that the government sets up a tribunal of some sort so that the issues between the parties may be tried by somebody other than one of the parties in interest. Now, that is all that is proposed in this matter of rate making by the public, and as was well said by this report, whoever is intrusted to deal with that question, in settling controversies of this kind ought to be intelligent and well informed—ought to be skilled and experienced, and, above all, ought to be fair and impartial, because it is not to the interest of the people of this country generally that injustice should be done, or should be permitted to be done, to the railroads any more than that the people themselves should be subjected to injustice on the part of the railroads.

It is not sufficient to say that the interests of the carriers are so bound up with the interests of the shippers, the producers, and the consumers that the public can rely upon the interest of the railroads to see that justice is done in all cases. We have sometimes been told that that was so, that the railroads can not afford to destroy their patrons; they can not afford to destroy their business, and that therefore their selfish interest—if they had no higher one—would be to do justice and equity, so as to develop the business along their lines and permit their patrons to live and prosper, and that that would be a safe guaranty of justice and right to the shippers. To a certain extent, that motive will prevail in restraining gross injustice, but it can not be relied upon as an adequate rule for protection, because, according to their own admissions, they have taken into account the matter of obtaining and retaining business on their lines to such an extent that, in the face of a law that makes it criminal to do so, they have allowed rebates and discriminations in favor of some and not to others, and respecting some commodities and not others. So that here are, as we have seen in many cases, under oath, open admissions of the gentlemen themselves, that, feeling the pressure of the great shipper, the man who can afford trainloads, who has a club in the shape of a vast business which he can throw to this road or that road—he has held it over them and dominated them and compelled them even to violate the law which would subject them to criminal penalty if the matter was known and prosecuted. Yet, in the face of that, in the face of the command of the law, in the face of the fact that it was unreasonable

and unjust, they have had to surrender to it under the compulsion of the great shipper to such an extent that these gross discriminations have been perpetrated. That is not denied. I am not presenting these facts here to criticise anybody at this time, but for the purpose of showing that the public can not rely upon the selfish interest of the carrier to see that no injustice is done to any shipper or any locality or any commodity. That is shown by their own admissions.

Therefore, where complaint is made, there must be some tribunal somewhere clothed with the authority of substituting that which is remedial from the standpoint of an impartial tribunal, to take the place of that which is found to be unjust and has been condemned upon the evidence as wrong and unjust and unlawful. Whenever that is done we may discuss general principles; we may agree upon general principles, and we may agree without dispute on all these general declarations of public right and of the rights of the carriers and their constitutional protection; but, after all, when you come to practically deal with a practical issue relating to a particular rate or a particular commodity, the best you can do is generally to approximate that which is, upon the whole, fair and reasonable and approved by the conscience and judgment of an intelligent and impartial man or body of men. And that is the most that can be hoped for. He who looks for a definition that can be applied with uniformity of what is a reasonable and just rate will, as the chairman of this committee has well said, wind up with a declaration that a reasonable rate is a reasonable rate. You can not get any nearer to it than that. You can enumerate many things that will bear on that question and that ought to be considered in determining a question of that sort, but when you come to apply it in the next case you will find that it has very little application and that something else is controlling.

Many considerations have been mentioned here that apply. There are many others that would apply in particular cases in determining what is a reasonable and just rate, and I wish to say in conclusion, for I must not take further time, that in respect to all these matters, whether viewed from the standpoint of a state railroad commission or of the Interstate Commerce Commission, there is no body of public men responsible to the people of this country that has had experience in relation to these matters and that may be trusted with them that will ever under our conditions of government become extreme, radical, and confiscatory and undertake to destroy the properties of the railroads, in which such vast sums are invested. There is no danger of that. No set of men can afford to do that. It would be against public policy and would be disapproved and condemned at all times. Governmental regulation must be applied by

men; and those who are intrusted with the application of the law to the particular facts must be presumed to intend to do what is about fair, just, reasonable, and right. That is the presumption of the law in respect to the courts. It is the presumption of law in respect to all tribunals.

I can not refrain from calling attention while I am on my feet to the manner in which this question of authorizing the Commission to fix remedial rates in tried cases to take the place of those condemned has been discussed generally throughout this what has been sometimes called "campaign of education" during the past year. It has been pointed out from time to time that the power of rate making and of rate correction, even to the limited extent now proposed in the pending legislation, would be open to great abuse; that it could be used by commissioners who are partial to one section of the country rather than another; that it could be used for the oppression of the railroads; that it could be used for improper purposes in various ways. Illustrations have been cited, pointing out here and there how it could be done. I might stand here until to-morrow pointing out how the judicial power vested in the courts could be abused if the courts should set their faces toward the purpose of abusing their powers and doing nothing else. I could point out to you how Congress itself, disregarding its obligations to the public, could abuse its power. I could point out how a majority in Congress, in either house, could favor one section of the country to the destruction of another, if it saw proper to do so; but the general presumption is that Congress and the Executive and the courts, and each branch of the government and every tribunal will do its duty as it sees it, and the presumption of law will be that it is going to do that and not seek for the worst it can do and proceed to do that. But in some of these discussions it has been assumed that this power granted to a railroad commission would be exercised in the worst possible way. That is not a reasonable or fair way to consider the question of the power of rate making.

I believe I have nothing further to say. I have only said this in a general response and I admit that some of it is not pertinent to the report now before the convention, but it relates to this general subject of rate making. I am very much obliged to you, Mr. President and gentlemen of the convention, for your attention. [Applause.]

The PRESIDENT. The question is on the acceptance of the report.

The report was accepted.

The PRESIDENT. The next committee is the committee on delays attendant upon enforcing orders of railroad commissions.

DELAYS ATTENDANT UPON ENFORCING ORDERS OF RAILROAD COMMISSIONS.

Mr. STAPLES, of Minnesota. The work of that committee seems to have been pretty well thrashed out at our former meetings. Like other members of committees, I did not care to take the initiative and naturally awaited an expression from the chairman of the committee. I have had no letter from him and have had no conference with any member.

In order to fortify myself with such information as I could upon this subject, I took occasion to write to the various commissions throughout the entire United States and received responses from almost all of them which were practically along the same line. They convinced me that the delays attendant on enforcing the orders made by state commissions were very seldom, if ever, to be traced to the state itself or to the courts within that state, but were, generally speaking, found to lie with the federal or United States courts, and the resolution which was indorsed by this convention two years ago is the strongest sentiment that I could offer at this time; but I would like to add to that—which was omitted at that time—that the secretary be directed to prepare and forward copies of that resolution to the two committees on interstate commerce of the House and that of the Senate of the United States Congress. I would also suggest that the various members of this organization address letters to their Congressmen and Senators, calling attention to the necessity for a law which shall have for its object the expediting of cases brought by state commissions, which are finally taken to the United States Supreme Court and providing that those cases brought by the Interstate Commerce Commission in which the United States is not a party might have precedence over pending cases.

I can add nothing further that would throw any light on this question at this time; and I offer this as a motion.

The motion was carried.

The PRESIDENT. The next committee is the committee on legislation. I find that there has been no report prepared and I presume the members of the convention would like to have that go over until the next session. If I hear no objection, the report of that committee will go over until the next committee is appointed.

Mr. MEYER, of Wisconsin. I move that a special committee of three be appointed for the purpose of considering the question of giving representation to traffic managers in the deliberations of this convention. The committee on rates and rate making or any other committee, as I see it, has a right to invite any traffic man to its meetings now, but it is quite possible that some general plan can be devised for giving representation on the floor of this convention to representatives of the traffic associations.

I move to have that matter referred to a special committee of three to report to the next convention.

Mr. BROWN, of Pennsylvania. I do not think it is advisable to grant people outside of this association the power of members of the association. I think the idea of the chairman of this committee was to have the president of the convention call into service any traffic official he may see fit as an advisory member, and I think it would be all right for the president to appoint such advisory member, but our constitution provides what the qualifications of members of the association shall be, and I think we ought not to depart from that unless we amend the constitution.

Mr. MEYER, of Wisconsin. My motion does not ask for the appointment of three traffic men as a committee, but for the appointment of three members of this association to consider the question. If such committee should recommend, if necessary, even a change in the constitution to permit the deliberations on the floor of this convention of certain traffic officials, that is an affair of that committee and of the next convention. I can see no objection to the appointment of a committee for that purpose.

Mr. McADAMS, of Indiana. As I followed the report of the committee on rates and rate making, it does not embrace any recommendation, but simply represents the views of the individuals who contributed the articles read. I think the matter may be accomplished that Mr. Meyer has in mind in this way, that the executive committee be directed by this convention to invite one, or two, or three traffic managers of some of the large railway systems to address the convention on the subject of rates and rate making at the next annual meeting. We could have their views in that way.

The PRESIDENT. Do you offer that as an amendment?

Mr. McADAMS, of Indiana. I do; if it is satisfactory to Mr. Meyer.

Mr. STAPLES, of Minnesota. I want to second the amendment, just proposed, and I do that with the same object that Mr. Brown evidently has in mind. I do not think this convention should so amend the constitution as to bring into our association as regular members any railway officials. We do not know to what extent we might carry that proposition; but I for one would be very glad to have the executive committee or our president find some representative traffic official who would address this body and give the entire membership the benefit of his knowledge and experience. And then we might discuss, after his address, the questions which were pertinent and all have the benefit of his knowledge and experience. But it seems to me that when you go to the extent of making a traffic official a member of this convention—without any intent to reflect on any official in the least—you are going rather too far.

Mr. MEYER, of Wisconsin. I would like to correct an impression which apparently rests with some members of the convention.

I contemplate nothing except the consideration of that part of the report of the committee on rates and rate making which refers to taking into our conferences traffic managers. I said nothing whatever, and made no recommendation or expressed no opinion with reference to the giving of membership or anything of that sort, and would oppose such a step at this time.

Mr. MILLS, of Minnesota. I understand there are many members of this convention who have acted in an official capacity as traffic managers or freight agents of the railroad companies. If in making up the next committee, the president of this association, whoever he may be, would correspond with the different commissions, I think it might result in getting on that committee men who are familiar with this subject from the railroad standpoint. And I wish to make another suggestion, that the committee of itself would have the power, if they like, to invite a conference with such traffic managers as they think best and get the advantage of their experience in discussing with them the subject. And then, as has been suggested, we might listen here to any traffic official we could get to address us.

Mr. STAPLES, of Minnesota. May I ask what Mr. Meyer contemplates?

Mr. LAWRENCE, of Washington. That a committee of three be appointed to report to the next convention some plan of mutual action of the railroad men with this association in the future, leaving it with that committee to make a recommendation to the next convention.

Mr. STAPLES, of Minnesota. That is just the point, and I maintain that we might as well settle that to-day as a year from to-day.

Mr. ROBINSON, of Kansas. I will say that any state commissioner who has not heard about all he cares to hear from a traffic manager during the past year has been very fortunate. [Laughter.] We are not confined to hearing from the traffic department, but we hear from the legal department and clear down the line. After we have sat and listened day after day to the evidence of traffic managers and the views of legal men and presidents of the railroads of the United States, we think we are pretty well posted on their views of the matter.

The PRESIDENT. The question is on the amendment of Mr. McAdams.

The amendment was carried.

Mr. MEYER, of Wisconsin. I hope the members will vote against this motion as amended. I do not believe we are ready to act. I am not ready to act. I am not ready to say that I am willing to have any committee of this association invite any person who in

their judgment should address the convention. I want this carefully considered. Therefore I hope you will vote against the motion as amended.

The PRESIDENT. The question is on the motion as amended.

Mr. McADAMS, of Indiana. The original motion as amended is this: It directs the executive committee of this convention to invite some traffic managers to address the convention at the next annual meeting on the subject of rates and rate making, so that we may all hear what they have to say. That is the motion as amended as I understand.

The motion as amended was lost.

The PRESIDENT. I intended to say during the discussion of the powers and duties of the railroad commissions that of the 258 complaints filed with the South Dakota commission 158, or over 61 per cent, resulted favorably to the complainants, and less than 9 per cent were decided adversely to the complainants, and about 30 per cent were dismissed for want of jurisdiction, or for "no cause of action," by withdrawal by the complainants, or are still pending before this commission.

It is a significant fact that of the 258 complaints filed with this commission less than eight-tenths of 1 per cent have been appealed to the courts.

It occurs to me to say that I think the members of this association would be pleased if the secretary would have prepared copies of the Ohio law and have them sent to the different commissioners.

The SECRETARY. We will do that immediately.

Mr. KILPATRICK, of Illinois. We all realize that it would be a good thing to have some investigation made along the line of the block signaling proposition. I offer this resolution:

That this association request the Congress of the United States to appoint a committee to investigate and report on appliances for the automatic control of railway trains.

It seems to me that we might get valuable information and that the Congress of the United States might also get valuable information along that line if they would take that action. I do not know whether they will do so or not, but we might ask them. I offer the resolution and move its adoption.

The resolution was adopted.

The PRESIDENT. The next business is the question of the time and place for holding our next convention.

#### TIME AND PLACE OF NEXT CONVENTION.

The ASSISTANT SECRETARY. We have an invitation from the Denver Chamber of Commerce to come to Denver next year. This request is supported by the Denver Convention League, by the mayor of Denver, and the governor of Colorado.

The city of Toledo, Ohio, asks to have the convention held there next year in a communication from the Hotel Victory.

The city of Norfolk asks to have the convention held there. This letter is headed "Jamestown Exposition Company," and sets forth that the Jamestown Exposition is to convene May 1, and continue until November 1, and that a "Great international naval, military, historical, and industrial exposition will be held on and near the waters of Hampton Roads, Va.—within twenty minutes ride of the cities of Norfolk, Portsmouth, Berkeley, Newport News, Hampton, and Fortress Monroe—in commemoration of the three hundredth anniversary of the first English settlement at Jamestown, Va., in 1607."

There is an invitation from the convention bureau division of the Chicago Commercial Association for this convention to hold its next session in Chicago, and asking the secretary to kindly bring the inclosed invitation of the Chicago association before this convention. The invitation is as follows:

The Chicago Commercial Association extends a most cordial invitation to the National Railway Commissioners' Association to convene its next meeting in this city.

It is unquestionably needless for me to refer to the great advantages that Chicago possesses as a meeting place for an organization of this kind. Her geographical location, her unexcelled railway facilities, her extraordinary features of special attraction, her ideal hotel accommodations, etc., are points that insure large attendance upon convention events—the first great requisite for a successful meeting.

Within a single night's ride of Chicago 50,000,000 people reside. There are something like 2,000 daily trains going and coming over twenty-four trunk lines centering here, thus affording the opportunity for the greater number of your members and visitors to come and return, should your convention be held here, during a single night's ride, and practically without losing a single business hour in coming to and returning from your session.

In Chicago there are innumerable means of entertaining your members, their ladies and their guests, while you are engaged in business session; and I feel certain that, if you honor us with your presence, you will here realize one of the most delightful and in every way successful gatherings that your association has ever enjoyed.

There is a communication from Biltmore, N. C., which says: "What would be the chances of having your next convention of National Railway Commissioners at Kenilworth Inn, Biltmore, N. C.?" It is simply an inquiry, but I bring it to your attention.

From New York there is a general circular from the Metropolitan Entertainment Company, indicating that the convention could be held there.

Columbus, Ohio, presents a general request.

The city of Washington presents a request verbally.

Mr. LAWRENCE, of Washington. In order to expedite business, I move that as the list of states is called the members be asked to rise who are in favor of that particular place and that the secretary count the vote. We can get at it more expeditiously in that way.

The motion was carried.

The assistant secretary proceeded with the roll call of states.

Secretary MOSELEY. The city of Washington is very desirous of having you again hold your convention here.

It is very regrettable that, owing to unforeseen causes, there has not been that opportunity to show you the attention which the Interstate Commerce Commission would otherwise have been most happy to do. As you are aware, Congress is now debating a measure which is of vital importance, and the necessity of furnishing information to Congress has kept the Interstate Commerce Commission and those connected with it constantly employed. I might say that last night there were men working here all night preparing information for Congress.

The first conventions were held in Washington, and we were very pleased indeed to learn that you had concluded to come back and hold this convention here. I now renew, on behalf of the Interstate Commerce Commission, the request that you come to Washington for your next convention. Here we have the machinery for attending to the work. Our clerical force and our stenographers are here, and everything which might be necessary as far as the proper conduct of the business is concerned is here and at your disposal.

Mr. KILPATRICK, of Illinois. I want to say, on behalf of our state, that we want to have the annual session of this convention held next year in the city of Chicago. As Mr. Brown has well said, you all know the history of Chicago. We do not want to go into the history of Chicago. We want to say that it is the geographical center of nearly all the states that have railroad commissions, and I think you would have a larger attendance at Chicago than at any city in the United States. We want to say that we would heartily welcome you. Chicago is the headquarters for twenty-four trunk lines, and eastern, southern, and western men can come to Chicago easier than they can go to any city in the country. We will welcome you most heartily. We have not had a convention of this association there and we want it now.

Mr. McMILLIN, of Washington. I am charged with a very delicate and pleasant duty in inviting this association to hold its next annual convention in the city of Seattle, on Puget Sound. I bring with me a letter of invitation from the Seattle Chamber of Commerce, and, it being short, I hope you will permit me to read it.

MARCH 14, 1906.

Hon. JOHN S. McMILLIN,  
*Seattle, Wash.*

DEAR SIR: At the regular meeting of the Chamber of Commerce, held on March 7, 1906, I was instructed to extend through you to the National Association of Railroad Commissioners a formal invitation to convene in this city at their next annual convention in 1907; and, further, to authorize you to assure this distinguished body that Seattle will leave no stone unturned toward giving the members of the association a reception calculated to more than recompense the delegates for the additional time consumed in making the journey to the Pacific northwest.

Very respectfully,

C. B. YANDELL,  
*Assistant Secretary.*

In addition to that, I have with me a letter from the governor of our state, addressed to the National Association of Railroad Commissioners, Washington, D. C.

GENTLEMEN: I am advised that the Chamber of Commerce of Seattle has extended to your body an invitation to hold your annual convention of 1907 in that city. As governor of the state of Washington and in behalf of the people of this state I desire to supplement that invitation. I can assure you that, in the event you accept, you will be received with genuine western hospitality, of which you have had some taste. Not only the people of Seattle but those of the entire state will unite in endeavoring to make your stay a pleasant and profitable one.

In point of scenic interest and attractions and in point of climate you can find no better place on the continent at which to hold your gathering than on the shores of Puget Sound. You will have an opportunity while here to cruise on the placid waters of our great harbor with its 3,000 miles of shore line. You will have an opportunity to see an empire in the making, for I verily believe that nowhere else in the world are the natural resources of a region being developed faster than in this young state of ours, nor is there any other place in which civilization and progress are moving forward at a faster pace than here.

I sincerely trust that your body will decide to hold your next annual session in Seattle, and that it may be my pleasure and honor to greet you on your assembling.

Very truly, yours.

ALBERT E. MEAD,  
*Governor of Washington.*

Now, gentlemen, I will not entertain you with anything in the nature of a speech, because I know that time is precious, but I wish to say that in extending to you this invitation from Washington, I will not undertake to present to you the beauties of the trip to Puget Sound and that which we have in store for you at the close of the business of the convention, which we hope you will give us the pleasure and opportunity of extending. I shall take it for granted that you are all "from Missouri" at this time, and that you are all anxious to be shown, and I will say that we are equally anxious to show you

and we will be glad to show you all we have in the state of Washington. Now, our plan is this: We desire that the convention shall be held in Seattle for such length of time as in your judgment may be proper—three or four days, as the case may be, for the purpose of completing the formal work. We all realize that in the conventions as we have been holding them, we have not had sufficient time to digest the excellent reports and papers presented. Therefore, in the interest of a more thorough analysis of the work brought before us by the committees, I want to say that our plan has been this, and I hope it will meet with your approval: That we have the formal convention for several days as we have had here; that we hear these reports and get as much benefit from them as we can while we are together in the convention, and that then we adjourn and take a special steamer to Alaska. We can do this in the summer when you want a vacation anyhow and when the climate will be at its best—and at its best it is the best in the world.

At the close of the convention we will ask you to take a special steamer for a five, eight, or ten day trip. We can take whichever may be desired and spend that time together on the steamer going through that Wonderland of America. That will give us an opportunity not only to see the beauties of that wonderful land, but it will also give us an opportunity to get together day by day and analyze the reports and papers presented in the convention. We all know that informal sessions, where questions are asked and answered, are the most valuable part of our sessions, and we believe that the fullest opportunity for such informal sessions will be afforded in this way. There will be no chance to get away from the steamer to go to the theater or to a horse race. We will be there and full of interest all the time, and in the evenings we can meet in formal sessions if you wish to, or we can meet in an individual capacity and investigate and discuss these papers that have been presented, and we will be going to school on these questions for eight or ten days. I am sure that it will be the most valuable as well as the most interesting and entertaining convention ever held in the history of this association.

One more word. I want to say that you are not going to a strange country. You will not be met by strangers. At the door of the state, you will be met by a son of Kentucky, who represents our great state in the Senate of the United States. You will be met by a member of Congress, whose birthplace was Indiana. You will be met by the great governor of our state, who comes from the state of Kansas, the state of my friend, Mr. Robinson here. You will be met by sons and daughters of every state, city, and hamlet in the Union. You will be going to your own, and they will extend to you such a welcome as you have not had anywhere else in the Union, in my judgment, because you will have your own people there.

We ask you to come and sit down to their board and see a new civilization worked out by the combined energies of the young blood of every state in this Union. I thank you. [Great applause.]

Mr. CHADBOURNE, of Maine. I was asked to second the motion that this convention should be held in Seattle. I am very glad to say that I regard that as a most pleasant duty

Some of us have been in Seattle and we know a little of it. All of us know that through that great place avenues are being opened into the great Orient developing markets for this country of ours.

To say nothing of the beauties of scenery and the attractive excursion offered, I will say that I believe that each and every one of us as individuals will profit by contact with that thriving, bustling city, made up of people from all over the United States. I was never more proud in my life than on my short visit there to find that the sons and daughters of Maine were prominent. Some of them are pioneers there, and some of them to-day are actively carrying along the work of that great city, to the credit of themselves, to the credit of the good old state of Maine, and to the credit of our country. There are many lessons to learn in that country, which is, perhaps, in its natural resources, one of the richest, if not the richest, state in the Union.

I hope the next convention will be held there.

Mr. McADAMS, of Indiana. It is unpleasant to me to say anything in opposition to Mr. McMillin. However much I would like to visit the coast, I am impressed with the fact that each man within the sound of my voice is here on account of the fact that great questions are to be dealt with by him and great responsibility is imposed upon him by the people who elected him or the governor who appointed him, and that he would spurn to enter judgment in any case for any reason except one dictated by his sense of justice.

You, gentlemen, are a business body, if anything. You are not pleasure seekers or fun hunters. I never had any fun in my life except work. If the plan proposed by Mr. McMillin were carried out, we should be absolutely deprived, so far as Indiana and its commission are concerned, of the benefits of the next session. I am here at my personal expense under the law of my state.

Now, let us look at this squarely as a business proposition. Where is the head and center of the business that comes before conventions of this kind? It is centered in this building. The pioneer of business of this kind is the Interstate Commerce Commission. The fountain head of all information, you might say, is in this building. I endeavored when I first came here to get a specific time fixed when each separate thing could be heard. For what purpose? That I might put in my time in the auditor's office in this building. As much time as I could, I have put in there, and I have learned

more under this roof about tariffs and rates than I could learn at all the other places that have been suggested to this convention. I do not know but probably other gentlemen have learned as much. I would hate to deprive the other members of our commission, if they attend the meeting next year of the benefit of seeing and learning what I have learned. Questions have arisen in these meetings as to certain facts about certain matters. In five minutes you could have the best man on that subject before you. These are business propositions. These are questions that go to your duties as commissioners. There is no place, I undertake to say, when you look at this as a square business proposition, that compares with the city of Washington, and I enthusiastically second the nomination of the city of Washington.

Mr. ROBINSON, of Kansas. On behalf of Kansas, who has furnished Washington her governor and who has a great many other citizens there that she is willing to furnish as governors for any of the other states—I think we can supply the whole Union and then not be exhausted—I would second the motion to go to Seattle, Wash. We had a very pleasant visit there last year, but it was too short for such a large undertaking. We want to get a little acquainted with our country, with our nation, and when we have gone to Seattle we are only a little way in the direction of that great coast up toward Alaska. I think we are only about halfway when we reach the the Pacific coast, and we will find enough there to occupy our time and we will find it on subjects that are right before this convention and on subjects that this convention is very much interested in. We will get acquainted with our country. It is a long way from Kansas down here, and it is a little like the boy that had been to the mill with his father, who said, "This is an awful big world if it is as big the other way as it is the way we went." We would like to go the other way. Therefore, I would second Seattle, Wash.

Mr. DEISEM, of North Dakota. While the gentleman from Indiana has said that it might be wise for business reasons to come to the city of Washington, I want to say that I believe that it would be an educational trip to go to Seattle. In the first place, you travel over a vast prairie country; you travel over vast mountain ranges; you travel through the greatest forests, perhaps, in the world, and I believe along those lines the trip will be an educational one, for the reason that it will broaden your ideas of what there is in the long and short haul clause when you have traveled that distance.

I, therefore, in behalf of the greatest commonwealth of North Dakota, second the motion for Seattle.

Mr. HILL, of Georgia. Some of us were at Seattle last year. I am sure that those who had a taste of Seattle a year ago desire to have more and see more of Seattle, and I take pleasure, therefore, in

seconding the nomination of Seattle as the place for the next convention.

Mr. MILLS, of Minnesota. I appreciate fully what was said by the gentleman from Washington. I appreciate fully the education that one gets from traveling over this continent, and I appreciate fully the entertainment that will be given if we go to Seattle, Chicago, or any of these places that have been mentioned. But this is a matter that I have thought on a great deal. It seems to me it is a matter which is very important to this convention. One of our first duties is to educate ourselves as commissioners, to learn what we can on the subjects that come under our jurisdiction, and another is to make the actions and deliberations of this convention influential upon the public, and it seems to me that it is time that this convention had a permanent home, a place to meet, where it will be recognized as a national association—a place from whence its deliberations will go out as a national association—and if it goes on junkets from one part of the country to the other it seems to me that it loses a great deal of its influence. I hope that each member of this convention before he votes upon this question will throw aside all of his personal desires in the matter, his desire for being entertained and his desire to meet the congenial people of Washington, and ask himself the question, what is for the best interest of this association now and in the future, and cast his vote as his conscience dictates.

Mr. BROWN, of Pennsylvania. The sincerity of the gentleman who has just taken his seat has always commended itself to the hearty endorsement of every member of this association.

The junketing idea may not commend itself, but there is a social side of the problem and in the social problem which we meet in this association, ties are formed which unite more solidly than ever this great country of ours. Yesterday a picture presented itself to me, that of old Colonel Wharton, who was a gallant soldier in the army of the Confederacy, sitting beside Colonel Peaks of Maine, keeping time to the music of the Union and making all the endeavor possible to increase and advance the commercial affairs of this nation as it may be done through this association. [Applause.]

Now, I do not think it necessary to a proper discharge of our duty and to exhibit all the fidelity there is in us that we should at all times meet in the city of Washington.

I am for the city of Seattle, and I hope that this convention will decide to go there. [Applause.]

Mr. MEYER, of Wisconsin. On behalf of the commissioners of Wisconsin, I will say that we would like to go to Seattle very much, but in spite of that I wish to say that we are heartily in accord with the sentiments expressed by the commissioner from Indiana. We want to meet in the city of Washington and remain in touch with the Inter-

state Commerce Commission, have them where we can get at them and get the benefit of their advice and counsel. I am in favor of Washington, D. C.

The PRESIDENT. You have heard the cities that have been placed in nomination for the next convention. If there is no objection, in order to expedite business and save time, I will have the secretary call the roll of members and have each member indicate when his name is called what city he is in favor of.

There being no objection, the secretary called the roll, which resulted in 29 votes in favor of Seattle, Wash., and 21 votes in favor of Washington, D. C.

Mr. GATES, of Connecticut. I move that the vote be made unanimous in favor of Seattle, Wash.

The motion was carried, and Seattle, Wash., was selected as the place of holding the next convention.

The PRESIDENT. The next order of business is the selection of the date for holding the next convention.

Mr. McMILLIN, of Washington. On that question I would like to make a suggestion. Any date that will be agreeable to the convention will be agreeable to the commission of Washington and to the people of Seattle. I think, however, that your pleasure and comfort would be subserved by meeting some time in the summer of 1907 when you wish to get away from the heated sections of the east and south, and in the summer we are at our best.

Mr. STAPLES, of Minnesota. I move that July 29, 1907, be selected as the time for holding our next convention and that the time shall extend for a period of four days thereafter at least.

The motion was carried, and Monday, July 29, 1907, was selected as the time for holding the next convention.

Mr. BROWN, of Pennsylvania. I move that we now take a recess to call upon the President of the United States, and that immediately thereafter we return here.

The motion was carried, and at 12.40 o'clock p. m. the convention took a recess until 1.10 o'clock p. m.

#### AFTER RECESS.

1.15 O'CLOCK P. M.

The PRESIDENT. The convention will please come to order. I wish at this time to thank the members of this convention for the way you have borne with my presiding, and I assure you that any mistakes I have made have been mistakes of the head and not of the heart. [Applause.]

The next business is the election of officers for the ensuing year.

## ELECTION OF OFFICERS.

Mr. CHADBOURNE, of Maine. I wish to put in nomination a gentleman who has the respect and confidence of every member of this association. He is from one of our large states, thoroughly qualified in every way, honest, upright, conscientious, just, and conservative. He has been our first vice-president. What he has had to do he has done in a manner that has commended itself to many with whom I have talked, and I believe he will be a dignified, fair, impartial, and efficient president of this association. He is now our vice-president, and from my standpoint—and I think I voice the sentiment of many members of this association—he is in the line of promotion.

I take great pleasure in presenting to this association the name of Joseph P. Rice, of Missouri, as a candidate for president of this convention.

Mr. DUNCAN, of South Carolina. I desire to second the nomination of Mr. Rice. I have known him for quite a number of years and I must say that I believe it is a credit to this association to make a man its president who got off his engine, took off his overalls, and went into a commissionership of one of the largest states of this Union, and who has discharged the duties of that position in a manner any man might well be proud of.

I therefore take great pleasure in seconding the nomination of Mr. Rice.

Mr. McNEILL, of North Carolina. It gives me pleasure to present the name of Mr. McChord, of Kentucky. Mr. McChord has been chairman of the commission of the state of Kentucky for a number of years. He has discharged his duties during his term of office with distinction and honor to himself, and I do not think we could select a more suitable man to preside over our deliberations than Mr. McChord.

Mr. MILLS, of Minnesota. I take pleasure in seconding the nomination of Mr. McChord, of Kentucky. He has been a member of this association since 1892. He is a fine presiding officer and has probably given as much attention to the subjects that come before this convention as any commissioner on this floor. The association is indebted to him for the interest he has always taken in its proceedings and for the wisdom that he has brought to its councils. When he first became commissioner of his state, he found that it was necessary that the laws of the state should be improved, and he was willing to sacrifice the emoluments and go to the legislature and get them in shape. I think we can make no mistake in his election, and I think further that his services here entitle him to such recognition.

Mr. BROWN, of Pennsylvania. I can heartily concur with all that

has been said, and said so well, about my friend, Joe Rice of Missouri. He is a companionable man, he is a cultured man, and he is a jolly good fellow. I have known Mr. McChord, of Kentucky, for a number of years and have known of his great ability, which has been exhibited and displayed in matters of transportation as they concerned the state of Kentucky, and certainly the picture has not been overdrawn with reference to that distinguished gentleman.

I beg, however, to submit for the consideration of this convention the name of another whom I think is equally as well qualified, is as companionable, and who will reflect as great credit on the organization and upon himself as either of these other gentlemen who have been named. I mention the name of Mr. McMillin, of the state of Washington. I met him for the first time one year ago. The people of Seattle and of the state of Washington, through his influence, did everything possible for our convenience, comfort, and happiness in our journey through that rapidly growing commonwealth. Especially at the city of Seattle, where Mr. McMillin is so well known, did hospitality come to the front in the most copious form. We have decided to go to the state of Washington next year to hold our nineteenth annual convention. He has spoken of a trip to Alaska. Who is there who is so well qualified, so well equipped to arrange the details of that trip as is Mr. McMillin? And besides that, he is a jolly good fellow; he is able; he is competent; he is loyal in the discharge of his duty, and, without saying anything disparaging—and I would not for the world—of the other gentlemen, I think he is in a position at this time, perhaps, to better conserve our interests and advance the real credit of this association than the other two gentlemen, only because of his situation in the state of Washington.

I therefore take great pleasure in nominating John S. McMillin of Washington.

Mr. GATES, of Connecticut. In behalf of some of us from self-satisfied, puritanical, monopoly-loving old New England, who recognize and believe in the boundless enthusiasm, the untiring energy, and the business and executive ability of the people in the great northwest, I desire to second the nomination of Mr. McMillin.

The following gentlemen were then elected officers of the association for the ensuing year: John S. McMillin, of Washington, president; C. C. McChord, of Kentucky, first vice-president; J. H. Wharton, of South Carolina, second vice-president; Edward A. Moseley, secretary; Martin S. Decker, assistant secretary.

Mr. SPOFFORD, of Maine. I offer this resolution:

*Resolved*, That the secretary be directed to express to Colonel Hatfield of the Thirteenth United States Cavalry, the appreciation of this association for its courtesy in providing the special drill for the members of this association and their guests.

Mr. CHADBOURNE, of Maine. Before that vote is passed, I would like to say that I think the resolution is a perfectly proper one, and it ought to be passed; but I make the suggestion that a committee on resolutions should be appointed who would extend the thanks of this convention to the railroad companies and to others who have been so generous in their treatment of our convention. And hence, with Mr. Spofford's permission, I will move as a substitute that there be a committee of three appointed, whose duty it shall be to frame a vote of thanks to be extended not only to the commander of the military forces, but to the railroads and others who have been so generous in their treatment of this convention.

The substitute motion was carried.

The PRESIDENT. I will name on that committee Mr. Chadbourne, of Maine, Mr. Brown, of Pennsylvania, and Mr. Hill, of Georgia.

Mr. STAPLES, of Minnesota. I wish to offer a motion for the purpose of promoting the interests of this association. The committees of this association have always been made up with a very superficial knowledge on the part of the president, as a rule, as to what committees the different members were best qualified to act upon; and I desire to move at this time that the president correspond with the various members of this association and ask that they notify him of their preference, in order that they may name the committees in which they have an interest, and on which they have some knowledge, in order that the best interests of this association may be promoted.

Mr. McMILLIN, of Washington. I wish to second that motion. I was going to make that request personally; and if you will permit me, I would like to say that I wish each member, without waiting for the president to correspond, because that would take a great deal of time, would write to me and state the committees on which he would like to serve.

Mr. STAPLES, of Minnesota. I agree to that, but the idea is that a man may name four or five committees, not expecting to be placed upon all of them, but he would be placed upon some of those committees. I think it will assist our president very much.

The motion was carried.

Mr. STAPLES, of Minnesota. I would like to make a motion that the thanks of this association be tendered to our worthy president for the manner in which he has conducted the duties of his office.

The motion was carried.

Mr. DECKER, of the Interstate Commerce Commission. I move that the convention adjourn sine die.

The motion was agreed to, and at 2.30 p. m. the convention adjourned sine die.

## REPORT OF THE COMMITTEE ON RESOLUTIONS OF THANKS.

The committee on resolutions of thanks subsequently filed the following report:

*Whereas*, The National Association of Railway Commissioners, at its convention recently held in Washington, D. C., has been shown so many courtesies and its members have been accorded so many privileges that otherwise could not have been enjoyed, all pleasant to the individual and profitable to each as a public officer in giving broader realization of what the country is and of the importance of the duties required; therefore be it

*Resolved*, That the thanks of this convention be extended to the members of the Interstate Commerce Commission, their secretary and assistant secretary, Messrs. Moseley and Decker, for the use of their rooms in which to hold the National Convention of Railway Commissioners; to the street railway management of the city of Washington, and especially to Mr. Ham of the accounting department of said street railway, and to the officers, managers, and employees of the Southern Railway Company.

# LIST OF RAILROAD COMMISSIONS

SHOWING

OFFICIAL TITLES AND ADDRESSES, AND NAMES AND ADDRESSES OF MEMBERS, SECRETARIES, AND OTHER OFFICERS.

## INTERSTATE COMMERCE COMMISSION.

WASHINGTON, D. C.

MARTIN A. KNAPP, of New York, *Chairman.*

JUDSON C. CLEMENTS, of Georgia.

FRANCIS M. COCKRELL, of Missouri.

CHARLES A. PROUTY, of Vermont.

FRANKLIN K. LANE, of California.

EDWARD A. MOSELEY, *Secretary.*

MARTIN S. DECKER, *Assistant Secretary.*

H. C. ADAMS, *Statistician.*

J. M. SMITH, *Auditor.*

## RAILROAD COMMISSION OF ALABAMA.

MONTGOMERY, ALA.

B. B. COMER, <i>President</i> .....	Birmingham, Ala.
W. C. TUNSTALL.....	Greensboro, Ala.
W. T. SANDERS.....	Athens, Ala.
VIRGIL C. GRIFFIN, <i>Secretary</i> .....	Montgomery, Ala.

## RAILROAD COMMISSION OF ARKANSAS.

LITTLE ROCK, ARK.

JOSEPH W. PHILLIPS, <i>Chairman</i> .....	Little Rock, Ark.
J. E. HAMPTON.....	Little Rock, Ark.
B. B. HUDGINS.....	Little Rock, Ark.
WM. E. FLOYD, <i>Secretary</i> .....	Little Rock, Ark.

## RAILROAD COMMISSION OF CALIFORNIA.

SAN FRANCISCO CAL.

A. C. IRWIN, <i>President</i> .....	Marysville, Cal.
ADAM ANDREW.....	San Francisco, Cal.
ORRIN S. HENDERSON.....	Stockton, Cal.
JUDSON C. BRUSIE, <i>Secretary</i> .....	San Francisco, Cal.

## RAILROAD COMMISSION OF CONNECTICUT

HARTFORD, CONN.

ANDREW F. GATES, <i>Chairman</i> .....	Hartford, Conn.
WILLIAM O. SEYMOUR.....	Ridgefield, Conn.
O. R. FYLER.....	Torrington, Conn.
HENRY F. BILLINGS, <i>Clerk</i> .....	Hartford, Conn.

## RAILROAD COMMISSION OF FLORIDA.

TALLAHASSEE, FLA.

JEFFERSON B. BROWNE, <i>Chairman</i> .....	Key West, Fla.
JOHN L. MORGAN.....	White Springs, Fla.
R. HUDSON BURE.....	Little River, Fla.
ROYAL C. DUNN, <i>Secretary</i> .....	Tallahassee, Fla.

## RAILROAD COMMISSION OF GEORGIA.

## ATLANTA, GA.

H. WARNER HILL, <i>Chairman</i> .....	Greenville, Ga.
O. B. STEVENS.....	Cornelia, Ga.
JOSEPH M. BROWN.....	Marietta, Ga.
GEO. F. MONTGOMERY, <i>Secretary</i> .....	Marietta, Ga.

## RAILROAD AND WAREHOUSE COMMISSION OF ILLINOIS.

## SPRINGFIELD, ILL.

* JAMES S. NEVILLE, <i>Chairman</i> .....	Bloomington, Ill.
ARTHUR L. FRENCH.....	Chapin, Ill.
ISAAC L. ELLWOOD.....	Dekalb, Ill.
WILLIAM KILPATRICK, <i>Secretary</i> .....	Springfield, Ill.
CHARLES J. SMITH, <i>Assistant Secretary</i> .....	Springfield, Ill.

## RAILROAD COMMISSION OF INDIANA.

## INDIANAPOLIS, IND.

UNION B. HUNT, <i>Chairman</i> .....	Indianapolis, Ind.
WM. J. WOOD.....	Indianapolis, Ind.
C. V. McADAMS.....	Indianapolis, Ind.
CHAS. B. RILEY, <i>Secretary</i> .....	Indianapolis, Ind.

## RAILROAD COMMISSION OF IOWA.

## DES MOINES, IOWA.

DAVID J. PALMER, <i>Chairman</i> .....	Washington, Iowa.
E. A. DAWSON.....	Waverly, Iowa.
N. S. KETCHUM.....	Marshalltown, Iowa.
DWIGHT N. LEWIS, <i>Secretary</i> .....	Des Moines, Iowa.

## RAILROAD COMMISSION OF KANSAS.

## TOPEKA, KANS.

A. D. WALKER, <i>Chairman</i> .....	Topeka, Kans.
J. W. ROBINSON.....	Topeka, Kans.
G. W. WHEATLEY.....	Topeka, Kans.
CYRUS ANDERSON, <i>Secretary</i> .....	Topeka, Kans.

## RAILROAD COMMISSION OF KENTUCKY.

## FRANKFORT, KY.

C. C. McCHORD, <i>Chairman</i> .....	Springfield, Ky.
McD. FERGUSON.....	Paducah, Ky.
A. T. SILER.....	Williamsburg, Ky.
MOSES R. GLENN, <i>Secretary</i> .....	Frankfort, Ky.

## RAILROAD COMMISSION OF LOUISIANA.

## BATON ROUGE, LA.

C. L. DE FUENTES, <i>Chairman</i> .....	New Orleans, La.
OVERTON CADE.....	Youngsville, La.
W. L. FOSTER.....	Shreveport, La.
W. M. BARROW, <i>Secretary</i> .....	Baton Rouge, La.

## RAILROAD COMMISSION OF MAINE.

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PARKER SPOFFORD.....	Bucksport, Me.
E. C. FARRINGTON, <i>Clerk</i> .....	Augusta, Me.

\*Deceased.

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CHARLES E. MANN, <i>Clerk</i> .....	Malden, Mass.

## RAILROAD COMMISSIONER OF MICHIGAN.

## LANSING, MICH.

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D. HEALY CLARK, <i>Deputy Commissioner</i> .....	Lansing, Mich.
JAMES BICE, <i>Mechanical Engineer</i> .....	Lansing, Mich.

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WILLIAM E. YOUNG.....	St. Paul, Minn.
A. C. CLAUSEN, <i>Secretary</i> .....	St. Paul, Minn.
THOMAS YAPP, <i>Statistician</i> .....	St. Paul, Minn.

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R. L. BRADLEY.....	Jackson, Miss.
T. R. MAXWELL, <i>Secretary</i> .....	Jackson, Miss.

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JOHN A. KNOTT.....	Jefferson City, Mo.
FRANK A. WIGHTMAN.....	Jefferson City, Mo.
T. M. BRADBURY, <i>Secretary</i> .....	Jefferson City, Mo.

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FRANK M. BAKER.....	Albany, N. Y.
HENRY N. ROCKWELL.....	Albany, N. Y.
JOSEPH M. DICKEY.....	Albany, N. Y.
GEORGE W. ALDRIDGE.....	Albany, N. Y.
JOHN S. KENNEDY, <i>Secretary</i> .....	Albany, N. Y.

## CORPORATION COMMISSION OF NORTH CAROLINA.

## RALEIGH, N. C.

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SAMUEL L. ROGERS.....	Raleigh, N. C.
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ERICK STAFNE .....	Wahpeton, N. Dak.
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O. P. GOTHLIN .....	Dayton, Ohio.
O. W. HUGHES .....	Hillsboro, Ohio.
H. D. MANNINGTON, <i>Secretary</i> .....	Urbana, Ohio.

## DEPARTMENT OF INTERNAL AFFAIRS OF PENNSYLVANIA.

### HARRISBURG, PA.

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THEO. B. KLEIN, <i>Superintendent Bureau of Railways</i> .....	Harrisburg, Pa.
W. W. MORGARIDGE, <i>Assistant Superintendent Bureau of Railways</i> ..	Harrisburg, Pa.

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### SIOUX FALLS, S. DAK.

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D. H. SMITH .....	Miller, S. Dak.
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## RAILROAD COMMISSION OF TENNESSEE.

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THOMAS L. WILLIAMS .....	Nashville, Tenn.
B. A. ENLOE .....	Nashville, Tenn.
FRANK AVENT, <i>Secretary</i> .....	Nashville, Tenn.

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ALLISON MAYFIELD .....	Austin, Tex.
O. B. COLQUITT .....	Austin, Tex.
E. R. MCLEAN, <i>Secretary</i> .....	Austin, Tex.

## RAILROAD COMMISSION OF VERMONT.

### MONTPELIER, VT.

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HENRY S. BINGHAM, <i>Clerk</i> .....	Bennington, Vt.
GEORGE T. HOWARD .....	Craftsbury, Vt.

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JOSEPH E. WILLARD.....	Richmond, Va.
HENRY C. STUART.....	Richmond, Va.
R. T. WILSON, <i>Clerk</i> .....	Richmond, Va.

## RAILROAD COMMISSION OF WASHINGTON.

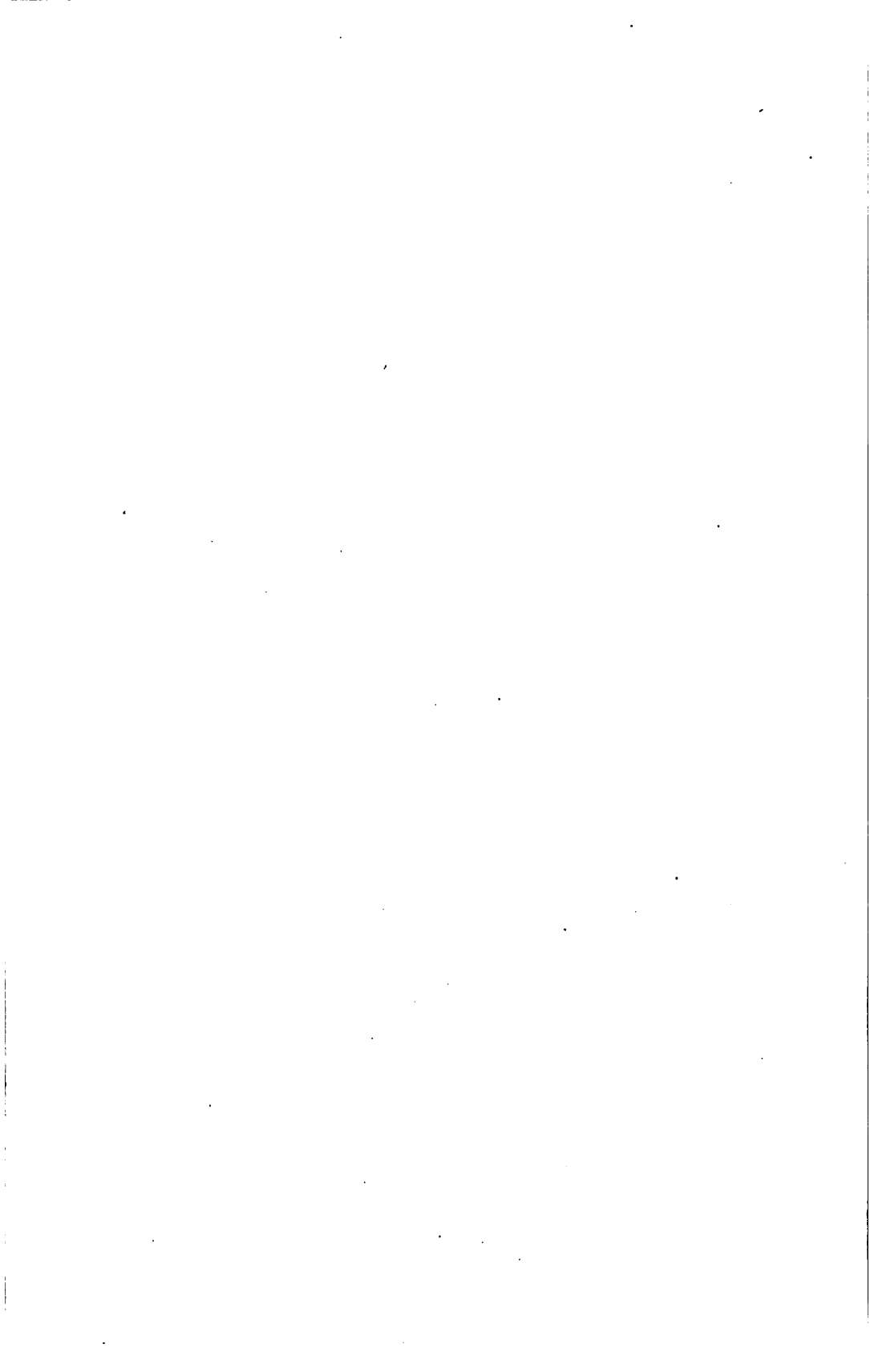
## OLYMPIA, WASH.

H. A. FAIRCHILD, <i>Chairman</i> .....	Olympia, Wash.
JNO. S. McMILLIN.....	Olympia, Wash.
J. C. LAWRENCE.....	Olympia, Wash.
J. W. LYSONS, <i>Secretary</i> .....	Olympia, Wash.

## RAILROAD COMMISSION OF WISCONSIN.

## MADISON, WIS.

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HALFORD ERICKSON.....	Madison, Wis.
J. W. THOMAS.....	Madison, Wis.
J. M. WINTERBOTHAM, <i>Secretary</i> .....	Madison, Wis.



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